

**YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF HEALTH: WESTERN CAPE GOVERNMENT**

BID NUMBER: **WCGHCC164/2023** CLOSING DATE: **Monday, 04 September 2023** CLOSING TIME: **11:00**

**BID FOR FOR THE SUPPLY AND DELIVERY OF 4K ENDOSCOPIC-LAPROSCOPIC CAMERA SYSTEM FOR SURGERY HD (INSUFFLATOR, CAMERA PROCESSOR, TROLLEY / CART, BRACKET AND MONITOR) SCOPES EXCLUDED - ONCE-OFF.**

**The successful bidder will be required to complete and sign a written Contract Form (WCBF 7.1)**

**BID DOCUMENTS MUST BE DEPOSITED IN THE BID BOX MARKED "DEPARTMENT OF HEALTH" SITUATED AT:**

(M9 building) on premises of Karl Bremer Hospital, c/o Mike Pienaar Boulevard & Frans Conradie Avenue, Bellville. Open Mondays to Fridays from 06:00 am to 16:00 pm (excluding weekends and public holidays). Please contact Ncumisa Ntaka during office hours for directions should you have any difficulty finding the building.

**Please note the following important information and requirements:**

1. The B-BBEE status level attained by the bidder will be used to determine the number of points contemplated in the Preferential Procurement Regulations.
2. Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration. Should uncertainty exist regarding access to the building or the location of the Department's bid box, bidders are advised to refrain from soliciting the advice of the security personnel on duty and to rather contact **Mrs Ncumisa Ntaka at 021 834 9025** for assistance. No names of bidders or prices will be read out at the time of closing.
3. All bids must be submitted on the official forms – (not to be re-typed) and only originally signed documents will be considered.
4. All bids must be accompanied by a letter signed by the bidder authorizing the Department, in the name and stead of the bidder, to confirm with third parties the accuracy of any information submitted as part of this bid.
5. Bidder to indicate which other currently pending bids issued by the Department it has applied for, and which bids, if any, have been awarded to it in the past. If bidders have previously submitted offers for other bids or are at the same time bidding in relation to the supply of other goods/services, the Department reserves the right to compare the respective bid documentation and information provided by the bidder.
6. This bid is subject to the General Conditions of Contract (GCC) and, if applicable, any other Special Conditions of Contract (SCC).

7. The **80:20** Preferential Procurement Points System is applicable to this bid.
8. Please refer all technical/specification enquiries to: **Karel Van Der Merwe** on [Karel.VanDerMerwe@westerncape.gov.za](mailto:Karel.VanDerMerwe@westerncape.gov.za) or contact him in the office on: 021 815 8639 or Cell: 084 402 3271



**DEPUTY DIRECTOR: CLINICAL SOURCING**

**DATE: 07 August 2023**

### Supplier Database Registration for Formal Competitive and Limited Bidding

**All Bidders must be duly registered on the following database at the time of bid closing:**

The Central Supplier Database (CSD, national)

All prospective **unregistered Bidders** must register as a supplier on **Central Supplier Database**.

#### Central Supplier Database

<b>Self-registration</b>	Not applicable	<a href="http://www.csd.gov.za">www.csd.gov.za</a> (self-registration only)
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<b>Contact email</b>	SCM.eProcurementDOH@westerncape.gov.za
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<b>Contact telephone</b>	021 483 0582
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All **bidders already registered on the CSD** should ensure that their status is up to date by contacting the Western Cape Government Health eProcurement Helpdesk as above on [www.csd.gov.za](http://www.csd.gov.za) (for CSD). All Bidders should have confirmation of their registration **BEFORE bidding**.

**Bidders who are not duly registered on the database at the time of bid closing, or whose registration has been suspended, will be deemed non-compliant and their bids will not be considered.**

Bidders are advised that only the B-BBEE status reflected **on form WCBD 6.1 in their bid document** will apply to the evaluation of the relevant formal bids and **not their B-BBEE status on CSD**. All other mandatory documents held on the CSD (TCC, WCBD 4, etc.), will be accepted by Western Cape Government Health (WCGH) for the consideration of formal bids.

Please confirm that you are duly registered on the **Central Supplier Database**.

**YES/NO**

### SAHPRA (SOUTH AFRICAN HEALTH PRODUCTS REGULATORY AUTHORITY) REGISTRATION

A Valid original and or certified copy of SAHPRA certificate with SAHPRA as a manufacturer, distributor or wholesaler of medical devices and IVD's. Failure to complete and submit the above documents **will invalidate your bid**. The contact details at SAHPRA are listed below. Should you need to download application forms, please visit <https://www.sahpra.org.za>.

#### General Contact Information

- Tel: (012) 501 0300
- Email: [enquiries@sahpra.org.za](mailto:enquiries@sahpra.org.za)
- Business hours – Monday to Thursday: 08h30 – 15h15; Friday: 08h30 – 12h00 – excludes public holidays
- Documents should be dropped off at Reception only.
- All visitors to report to the main reception on the 2<sup>nd</sup> Floor (Heading office).

#### Postal Address

South African Health Products Regulatory Authority  
Private Bag X828  
Pretoria  
0001

### GENERAL NOTE

**WCGHCC164/2023 BID FOR FOR THE SUPPLY AND DELIVERY OF 4K ENDOSCOPIC-LAPROSCOPIC CAMERA SYSTEM FOR SURGERY HD (INSUFFLATOR, CAMERA PROCESSOR, TROLLEY / CART, BRACKET AND MONITOR) SCOPES EXCLUDED -**

**Preferential Procurement Policy 80/20** will be applied when evaluating this bid.

**In terms of the preferential point system, the monetary value of this bid is represented by 100 points of which 80 points represent price and 20 points represent preferential procurement objectives (participation goals).**

### **SUMMARY OF BID FORMS REQUIRED TO MAKE UP A BID**

**Please do not include unnecessary documents in your bid**, as this makes your offer cumbersome to handle. The following completed bid documents are the documents required in your bid and can be submitted to this office in the order as suggested:

- **WCBD 1** The Bid **(failure to complete this form and sign it in full will invalidate your offer.)**
- **WCBD 3.1** Pricing Schedule **(failure to complete this form will invalidate your offer)**
- **WCBD 3.1/2** Information relating to pricing structures (firm & non-firm prices)
- **WCBD 3.4** Specification **(failure to complete this form will invalidate your offer)**
- **WCBD 4** Declaration of Interests, Bidders past SCM Practices and Independent Bid Determination
- **WCBD 5** The National Industrial Participation Programme
- **WCBD 6.1** Preference points claim form to claim points for Broad-Based Black Economic Empowerment level of contribution.

### **Additional documents**

- Proof of your company's standing if preference points are claimed, (certified copies in all cases, please) i.e.
- Copies of Shares certificates or CK1 forms
- Copies of shareholders' agreements, participation agreements (in the case of a Close Corporation), voting pool agreements or venture agreements (whichever is applicable to your business)
- Names of Trustees and their status if your business is a trust
- A legal entity organogram of your business
- A copy of your registration with the Registrar of Companies

**WCBD 1  
INVITATION TO BID**

**ZERO-TOLERANCE TO FRAUD, THEFT AND CORRUPTION (ANTI-FRAUD, THEFT AND CORRUPTION)**

THE WCG IS COMMITTED TO GOVERN ETHICALLY AND TO COMPLY FULLY WITH ANTI-FRAUD, THEFT AND CORRUPTION LAWS AND TO CONTINUOUSLY CONDUCT ITSELF WITH INTEGRITY AND WITH PROPER REGARD FOR ETHICAL PRACTICES.

THE WCG HAS A ZERO TOLERANCE APPROACH TO ACTS OF FRAUD, THEFT AND CORRUPTION BY ITS OFFICIALS AND ANY SERVICE PROVIDER CONDUCTING BUSINESS WITH THE WCG.

THE WCG EXPECTS ALL ITS OFFICIALS AND ANYONE ACTING ON ITS BEHALF TO COMPLY WITH THESE PRINCIPLES TO ACT IN THE BEST INTEREST OF THE WCG AND THE PUBLIC AT ALL TIMES.

THE WCG IS COMMITTED TO PROTECTING PUBLIC REVENUE, EXPENDITURE, ASSETS AND REPUTATION FROM ANY ATTEMPT BY ANY PERSON TO GAIN FINANCIAL OR OTHER BENEFIT IN AN UNLAWFUL, DISHONEST OR UNETHICAL MANNER.

INCIDENTS AND SUSPICIOUS ACTIVITIES WILL BE THOROUGHLY INVESTIGATED AND WHERE CRIMINAL ACTIVITY IS CONFIRMED, RESPONSIBLE PARTIES WILL BE PROSECUTED TO THE FULL EXTENT OF THE LAW.

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)</b>					
BID NUMBER:	WCGHCC164/2023	CLOSING DATE:	4 SEPTEMBER 2023	CLOSING TIME:	11:00
DESCRIPTION	<b>BID FOR FOR THE SUPPLY AND DELIVERY OF 4K ENDOSCOPIC-LAPROSCOPIC CAMERA SYSTEM FOR SURGERY HD (INSUFFLATOR, CAMERA PROCESSOR, TROLLEY / CART, BRACKET AND MONITOR) SCOPES EXCLUDED -</b>				
<b>BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)</b>					
(M9 building) on premises of Karl Bremer Hospital, c/o Mike Pienaar Boulevard & Frans Conradie Avenue, Bellville.					
Open Mondays to Fridays from 06:00 am to 16:00 pm (excluding weekends and public holidays).					
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO</b>			<b>TECHNICAL ENQUIRIES MAY BE DIRECTED TO:</b>		
CONTACT PERSON	Mrs Ncumisa Ntaka		CONTACT PERSON	Mr. Karel Van Der Merwe	
TELEPHONE NUMBER	021 483 9025		TELEPHONE NUMBER	021 815 8639	
FACSIMILE NUMBER	N/A		FACSIMILE NUMBER	N/A	
E-MAIL ADDRESS	Ncumisa.Ntaka@westerncape.gov.za		E-MAIL ADDRESS	Karel.VanDerMerwe@westerncape.gov.za	
<b>SUPPLIER INFORMATION</b>					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		AND	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No	
IF YES, WAS THE CERTIFICATE ISSUED BY A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN NATIONAL ACCREDITATION SYSTEM (SANAS)	[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No				

<p>ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS/ SERVICES/ WORKS OFFERED?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>[IF YES ENCLOSE PROOF]</p>	<p>ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>[IF YES, ANSWER THE QUESTIONNAIRE BELOW]</p>
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**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.**

**PART B  
TERMS AND CONDITIONS FOR BIDDING**

<p><b>1. BID SUBMISSION:</b></p> <p>1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.</p> <p>1.2. <b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED – (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.</b></p> <p>1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.</p> <p>1.4. <b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (WCB7).</b></p>
<p><b>2. TAX COMPLIANCE REQUIREMENTS</b></p> <p>2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p> <p>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.</p> <p>2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING THROUGH THE WEBSITE WWW.SARS.GOV.ZA.</p> <p>2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE WITH TOGETHER WITH THE BID.</p> <p>2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE AND CSD NUMBER AS MENTIONED IN 2.3 ABOVE.</p> <p>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.</p> <p>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."</p>
<p><b>NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID</b></p>

SIGNATURE OF BIDDER: .....

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

DATE: .....

**ADDITIONAL CONDITIONS OF BID  
APPLICABLE TO ALL BIDS FOR HOSPITAL EQUIPMENT**

THIS BID IS DUE AT **11:00 on Monday, 04 September 2023**

VALIDITY EXPIRES ON **04 December 2023 (90 DAYS)**

**1. INFORMATION TO BE SUPPLIED WITH BID**

- 1.1. Bidders must give descriptive answers to every point in the specifications, in the column provided.
- 1.2. Deviation from specifications will not necessarily invalidate a bid but all such variations must be clearly stated by the bidder with a full description of how the intended end-result is achieved.
- 1.3. Full technical descriptions, together with technical literature and diagrams (where applicable) should also be included.
- 1.4. Bidders must, if applicable, state in accordance with which code of practice the equipment offered, is being manufactured and tested.

**2. ELECTRICAL SUPPLY**

- 2.1. Unless otherwise stated in the specifications, all equipment requiring a mains electrical supply must be designed to operate with satisfactory stability and repeatability when connected to a 220 Volt (+10% and – 15%) single phase, 3 wire, or a 380 Volt (+10% and –15%) 3 phase, 5 wire, 50 Hertz supply.
- 2.2. Any other voltage stabilisation or smoothing required to ensure proper functioning of the equipment must be included in the bid price, i.e. the equipment, as supplied, must function correctly without the Provincial Government having to supply a voltage stabilisation or smoothing unit or having to modify the electrical reticulation.
- 2.3. If applicable, electronic circuitry in the equipment must not be susceptible to damage from transient interference on the electric supply mains.
- 2.4. All motors, fans and inductors in the equipment must be specifically designed for 50 Hertz.
- 2.5. Bidders are to state what the temperature and humidity requirements are for the equipment.
- 2.6. All movable electrical equipment must be supplied with international colour coded, 3 core, non-kink cabtyre flex 3 metres long and terminated in a non-breakable, SABS approved 15A red dedicated plug.

**3. SAFETY REQUIREMENTS**

- 3.1. All mechanical and electrical equipment supplied must comply with all statutory and local authority laws, regulations, the SABS specifications and Codes of Practice relating to the safety and radiation aspects of the type of equipment in question.

**4. SPARES AND SERVICES**

- 4.1. Bidders must indicate whether a service contract exist between themselves and the Western Cape Provincial Government. If so, the Provincial Government's file reference number must be quoted and it should be stated whether the exiting contract should be extended to include the equipment being offered in response to this bid or whether a separate service contract is to be negotiated.
- 4.2. Where a Maintenance Service Agreement is to be negotiated the Standard Western Cape Provincial Government format SHALL be used. An indication of service charge, service frequency and time lag between call and response must be given in the bid.
- 4.3. All service and maintenance inclusive of spares and labour required to maintain the equipment during the guarantee period (first 12 months after installation) must be free of charge.

**5. TECHNICAL DOCUMENTS**

- 5.1. The technical documentation where required, must be of a professional standard. Photostat copies are acceptable provided that they are well produced on a white background and that all printing, photographs and drawings are clear. Fold-out drawings joined with adhesive tape are not acceptable. The documentation must contain the following: -
  - General data and full specifications of the equipment such as function, dimensions, installation, instructions and supplies required (with allowable variations)
  - Short description of the operation at block diagram level

**THE PROVINCIAL GOVERNMENT OF THE WESTERN CAPE**

**DEPARTMENT OF HEALTH**

**SPECIFICATION FOR THE SUPPLY AND DELIVERY OF 4K ENDOSCOPIC-LAPROSCOPIC CAMERA SYSTEM FOR SURGERY HD (INSUFFLATOR, CAMERA PROCESSOR, TROLLEY / CART, BRACKET AND MONITOR) SCOPES EXCLUDED FOR KHAYELITSHA DISTRICT HOSPITAL, PAARL HOSPITAL, EERSTE RIVER HOSPITAL AND WORCESTER HOSPITAL.**

**BID NUMBER WCGHCC164/2023**

ITEM NUMBER .....1.....

**NOTE: SHOULD THE EQUIPMENT OFFERED DEVIATE FROM ANY SPECIFIED TECHNICAL REQUIREMENTS, FULL DETAILS MUST BE GIVEN. IN THE EVENT OF THE AVAILABLE SPACE BEING INSUFFICIENT SUCH DETAILS MUST BE GIVEN ON A SEPARATE SHEET, INDICATING THE RELEVANT PARAGRAPH NUMBER IN THE SPECIFICATION.**

**BIDDERS HAVE TO COMPLETE THE DETAILS OF OFFER IN FULL. REPLIES SUCH AS "COMPLY" OR "YES" IS NOT ACCEPTABLE, BIDDERS TO FULLY DESCRIBE ON SEPARATE PAGES THE CAPABILITIES AND SPECIFICATIONS OF THE OFFER.**



**1 SCOPE**

This specification establishes the requirements for the supply, delivery, installation, demonstration, and commissioning of an

<b>4K Endoscopic-Laparoscopic Camera System for Surgery</b>
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**2 APPLICABLE DOCUMENTS**

The onus rests on the prospective bidder to familiarise themselves with the following documents which form part of this specification and the bidding process.

- 2.1** Western Cape Government Health and Wellness general conditions and procedures
- 2.2** Additional conditions of bids
- 2.3** The Hazardous Substances Act No15 of 1973 (A copy of the license to be included in the offer if applicable)
- 2.4** SAHPRA License to be included in the offer
- 2.5** IEC 601-1
- 2.6** Occupational Health and Safety Act, Act no85 of 1993 and related regulations

**GENERAL NOTE:**

- \* If the product offered is unknown to WCGHW, they reserve the right to have a unit evaluated by a team of technical and clinical experts with regards to clinical and technical functionality, performance and quality. The recommendation of this committee will be used as motivation for the acceptance or non-acceptance of the offered device. for this reason, a demonstration unit will be readily available, or the bidder shall accompany two representatives of WCGHW to a site where such a device is installed and in functional order. The cost for such a site visit will be for the account of the bidder and WCGHW will bear no obligation to procure such device from the specific bidder.
- \* Bidders shall include in the offer proof that they are an accredited supplier of the offered devices by the original equipment manufacturer (OEM) and that the OEM undertakes to provide expertise, training and support to maintain the offered devices.

- \* All offers shall be supported by the supply of descriptive literature, brochures, industry tests and technical datasheets to support the bidders' responses the specifications. Failure to provide these supporting documents will result in non-compliance.
- \* Bidders to note that installation of the equipment and staff training must be included in the offered pricing.
- \* All electrical equipment shall be supplied with a SABS approved 3-prong 15 Amp standard South African plug top. If this is not possible, all necessary adaptors must be supplied to adapt to a 3-prong plug top.

### **3 SPECIFICATIONS**

**The 4K endoscopic-laparoscopic camera system must consist of the following components:**

- 3.1 32" 4K Monitor**
- 3.2 Camera control unit console**
- 3.3 UHD 4K surgical camera head**
- 3.4 Power LED cold light fountain**
- 3.5 Insufflator - 40l high flow**
- 3.6 Patient data storage system**
- 3.7 Mounting trolley / cart**
- 3.8 Optional additional viewing monitor**

#### **Specification details:**

- 3.1 32" 4K Monitor**
  - 3.1.1 Diagonal screen resolution should be 32", with a pixel resolution of 3840 x 2160 pixels or better.
  - 3.1.2 The aspect ratio should be 16:9 and contrast ration 1350:1
  - 3.1.3 The monitor shall have a brightness of 700 cd/m2.
  - 3.1.4 The maximum viewing angle shall be 178 degrees vertical and horizontal.
  - 3.1.5 The monitor shall have the following video inputs, but not limited to these. Additional ports shall be a bonus.
    - 3.1.5.1 Display port 1.2 (to support 3840 x 2160 pixels)
    - 3.1.5.2 12G-SDI
    - 3.1.5.3 HDMI 2.0
    - 3.1.5.4 DVI-D
    - 3.1.5.5 3G-SDI
  - 3.1.6 The monitor shall have the following video outputs, but not limited to these. Additional ports shall be a bonus.
    - 3.1.6.1 Display 1.2
    - 3.1.6.2 12G-SDI
    - 3.1.6.3 DVI-D
    - 3.1.6.4 3G-SDI
  - 3.1.7 The monitor shall have auto input detection for the supplied format.

- 3.1.8 The monitor shall have a DC output point for 5V/1A.
- 3.1.9 The monitor shall have a 100/200mm VESA mount.
- 3.1.10 The monitor shall be powered by standard 240V/16A/50Hz SABS electrical outlet plug.
- 3.1.11 The monitor screen shall be highly resistant against scratches and impacts and shall be cleanable by wipe disinfection.

### **3.2 Camera control unit console**

- 3.2.1 The camera control unit shall have the following video outputs:
  - 3.2.1.1 2x Display Port 2.1
  - 3.2.1.2 1x 12G/3G-SDI
  - 3.2.1.3 1x DVI-D
- 3.2.2 The signal output format shall be 3840 x 2160 pixels.
- 3.2.3 The unit shall have 3x link inputs.
- 3.2.4 The unit shall have a minimum of 4x USB ports.
- 3.2.5 The unit shall have 1x 6-pin mini-DIN communication port.
- 3.2.6 The image format shall be JPEG at a resolution of 3840x2160 pixels.
- 3.2.7 The video format shall be MPEG 4 at a resolution of 1920x1080 pixels.
- 3.2.8 Florescence imaging shall be obtained with NIR (Near Infra-Red) light utilising ICG (Indocyanine Green) pharmaceutical assistance.
- 3.2.9 For Endoscopic viewing NIR (Near Infra-Red) technology shall be utilised.
- 3.2.10 The unit shall utilise automatic light source control with different visualisation modes.
- 3.2.11 The camera control unit shall be powered by standard 240V/16A/50Hz SABS electrical outlet plug.
- 3.2.12 The camera control unit shall be able to accommodate 3 different types of scopes either through built in modules or link modules. If link modules, it shall be included in the offer.

### **3.3 UHD 4K surgical camera head**

- 3.3.1 The camera shall have a frame rate of 50/60Hz.
- 3.3.2 The image sensor shall consist of 2x 1/2.5" CMOS chips with a resolution of 3840x2160 pixels.
- 3.3.3 The camera shall adapt progressive scanning with a fixed focus lens and a focal length of 19mm.
- 3.3.4 The cable length on the camera shall be minimum 3m with angled routing.
- 3.3.5 The head buttons on the camera shall be programmable and the grip shall employ a standard eyepiece adaptor.
- 3.3.6 The camera shall be soakable, EO sterilizable and hydrogen peroxide cleanable.

### **3.4 Power LED cold light fountain**

- 3.4.1 The light fountain shall consist of two types of LED light sources included in the offer.

- 3.4.1.1 A unit combining White Light and Near Infra-Red LED in the same unit.
- 3.4.1.2 A White Light LED only for regular 4K applications.
- 3.4.2 The colour temperature should be approximately 5700K with manual or automatic continuation.
- 3.4.3 The lamp life span should be no less than 30 000 hours.
- 3.4.4 The light fountain shall be powered by standard 240V/16A/50Hz SABS electrical outlet plug.
- 3.4.5 The offer shall contain all required fibre optic cables for rigid endoscopy with a length of 3m.
- 3.4.6 The offer shall include a light guide adaptor with 90degree angle, 360 degree rotatable for use on regular rigid scopes.

### **3.5 Insufflator - 40l high flow**

- 3.5.1 The light fountain shall be powered by standard 240V/16A/50Hz SABS electrical outlet.
- 3.5.2 Maximum gas inlet pressure shall be 100 Bar.
- 3.5.3 The insufflator unit shall have the following selectable modes:
  - 3.5.3.1 Sensitive mode with intracavitary pressure of 1 to 15mmHg and flow rate of 0.1 to 15l/min. Maximum inflation pressure 30mmHg.
  - 3.5.3.2 High Flow mode with intracavitary pressure of 1 to 30mmHg and flow rate of 1 to 40l/min. Maximum inflation pressure 50mmHg.
- 3.5.4 The gas connection shall be Pin Index with an inline gas filter.
- 3.5.5 The main unit / trolley shall have a bracket to hold the CO2 cylinder.

### **3.6 Patient data storage system**

- 3.6.1 **It is not required for this offer to include a data storage system although the offered unit shall be fully compatible with future upgrades to accommodate a data storage system without the need for changes or upgrades to the Camera Control Unit.**

### **3.7 Mounting trolley / cart**

- 3.7.1 The trolley shall have 4x Anti-static double wheels with locking brakes.
- 3.7.2 The trolley shall have a multiplug fitted with integrated electrical sub distribution with at least 6 sockets.
- 3.7.3 The trolley shall have an electrical isolation transformer providing 2000VA to the individual components at 220 to 240V.
- 3.7.4 The trolley's electrical sub shall have 2x mains leads with minimum length of 1.5m.
- 3.7.5 The trolley shall house all the individual components of the "stack" without the need for additional trolleys or storage areas.

- 3.7.6 The trolley shall have a holding arm for the viewing monitor to be able to tilt 320 degrees with height and side adjustments.

### **3.8 Optional additional viewing monitor**

- 3.8.1 The offer shall include an optional additional viewing monitor to be mounted on a free-standing trolley, not fixed to the main system trolley. It shall be possible to move the additional trolley along with the main system but position it slightly further away from the surgical field.
- 3.8.2 The department shall consider the offered pricing for the additional monitor in relation to the available budget to either include or discard with the offered system.

## **4 MAINTAINABILITY**

- 4.1 Only offers that are locally supported (Western Cape) by competent factory trained technical personnel shall be evaluated. State the number of technicians in your employment in the Western Cape and state the address of your repair facility. Attach proof of product specific training.
- 4.2 State the following:  
Names of your technical staff in Cape Town.  
Attach certificates indicating their competency regarding repairs and maintenance on the specific offered machine.
- 4.3 Bidders to provide a list of sites where similar machines has been installed for reference.
- 4.4 Bidder to indicate which consumable and non-consumable items is required for the normal operation and standard maintenance of the equipment.
- 4.5 Bidder to indicate the cost of each of the above items. This does not necessarily mean that these items would be purchased from the successful tenderer.
- 4.6 Bidder to indicate which of these items are proprietary items that only the supplier of the equipment can supply.
- 4.7 In order to evaluate the life-cycle cost of the equipment, a suggested planned maintenance cost, estimated on a year-by-year basis for at least five years shall be quoted for. Bidders to supply a quote for a full, all-inclusive maintenance contract, as well as a separate quote for a preventative maintenance contract (including monthly labour for preventative maintenance and QA but excluding spare parts).
- 4.8 State guarantee period of the equipment, as well as any exclusions from the guarantee

## **5 SAFETY**

- 5.1 The unit shall comply with all applicable safety standards.

## **6 TRAINING**

- 6.1 Bidders must undertake to provide a comprehensive training schedule when required, for both User Department and Clinical Engineering staff of the Hospital to ensure:
- a. Correct use of the equipment,

b. Comprehensive technical support capability of the equipment of at least 2nd level by eligible resident clinical engineering staff.

- 6.2 Bidders must state the cost and level of technical training offered.
- 6.3 Training of users shall be provided by the successful bidder at no extra cost.

## **7 DOCUMENTATION**

- 7.1 The equipment shall be maintained by the hospital technical staff after the guarantee period has expired, therefore:

a. The bidder must provide **DETAILED PREVENTATIVE MAINTENANCE and CALIBRATION PROCEDURES**

b. The bidder must provide technical training in the **THEORY of OPERATION, FAULT FINDING and CALIBRATION**

- 7.2 Manuals must be comprehensive, including circuit diagrams in case of electronic/electrical equipment, enabling resident technical staff to deliver complete technical support in case of equipment failure, as well as routine servicing.
- 7.3 Manuals will be treated as confidential and for the sole use on equipment owned by hospitals in the Western Cape Region.
- 7.4 The supply Workshop/Service Manuals, is a mandatory requirement of this offer and they must be in accordance with the requirement laid down above.

## **8 OPTIONAL ACCESSORIES OFFERED BY THE BIDDER**

- 8.1 Bidder to give a full description and pricing of optional accessories available for the equipment.

## PRICING SCHEDULE (PURCHASES)

NAME OF BIDDER:	BID NUMBER: <b>WCGHCC164/2023</b>
CLOSING TIME : <b>11:00 MONDAY, 4 SEPTEMBER 2023</b>	OFFERS SHALL BE VALID FOR <b>90 Days</b> FROM THE CLOSING DATE OF BID

DESCRIPTION OF PRODUCT	ESTIMATED QUANTITY	BID PRICE IN SA CURRENCY INCL. VAT
<b>SUPPLY AND DELIVERY OF 4K ENDOSCOPIC-LAPROSCOPIC CAMERA SYSTEM FOR SURGERY HD (INSUFFLATOR, CAMERA PROCESSOR, TROLLEY / CART, BRACKET AND MONITOR) SCOPES EXCLUDED -</b>	4	R

**Note: The questionnaire below must be completed in full by replying to each question.**

- A. Period required for commencement of contract after acceptance of bid .....
- B. Is offer strictly to specification? .....
- C. Are you the manufacturer? Please circle your option. **YES/NO**
- D. If not, indicate deviations on attached specification or separate sheet.
- E. Period required for delivery. ....
- F. Please state packaging offered if applicable. ....
- G. Are you registered in terms of sections 23(1) or 23(3) of the Value-Added Tax Act, 1991 (Act No. 89 of 1991) **YES /NO**
- H. If so, state your VAT registration number .....
- I. Are the prices quoted for the service firm for the full contract period?
- J. Is the delivery period firm? Please circle your option. **YES/NO**
- K. Indicate guarantee period.....
- L. What is the approximate value of spares carried in stock in South Africa for this particular make and model of machine R .....
- M. If the prices are not firm for the full period, please complete form WCBD 3.2/2

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

## DEFINITION OF PRICING STRUCTURES

For the purpose of this bid the following explanations are provided:

### 1. Firm prices

- 1.1 Firm prices mean **prices which are only subject to adjustments in accordance with the actual increase or decrease** resulting from the changes, imposition or abolition of customs or excise duty and any other duty, levy, or tax which is binding upon the **contractor** in terms of a law or regulation and has a demonstrable influence on the prices of any supplies, for the execution of the contract.

The following two pricing structures will also be considered as firm prices – **please note that a combination of these two pricing structures will not be allowed:**

- 1.2 Firm prices linked to fixed period adjustments, i.e. three tier prices (firm 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> year prices), and only subject to the variables indicated in the above paragraph.
- 1.3 Firm prices subject to rate of exchange variations. (It is compulsory that the table below be completed for prices subject to rate of exchange variations).

**Note:** All claims for rate of exchange must be made **within 60 days of delivery** in order for bidders to qualify for price adjustments.

Any advantage due to a more profitable exchange rate must be passed on to the Western Cape Government.

Please furnish full particulars of your financial institution, state the currencies used in the conversion of the prices of the items to South African currency, which portion of the price is subject to rate of exchange variations and the amounts remitted abroad.

PARTICULARS OF FINANCIAL INSTITUTION	ITEM NO	PRICE	CURRENCY	RATE	PORTION OF PRICE SUBJECT TO ROE	AMOUNT IN FOREIGN CURRENCY REMITTED ABROAD
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		



## 2. Non-firm prices

**Non-firm prices** are prices **linked to proven adjustments**.

- 2.1 It is compulsory that the variable factors and their weights be indicated where prices are linked to proven adjustments.

The table below serves only as a guide and bidders must include all other information deemed necessary.

ITEM NO	PRICE	OVERHEADS AND PROFIT	VARIABLE FACTOR (Provide factor e.g. manufacturer increase)	WEIGHT OF VARIABLE FACTOR/S

- 2.2 In cases where prices are subject to the escalation formula, the following table must be completed.

In this category price escalations will only be considered in terms of the following:

$$Pa = (1 - V)Pt \left( D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + \dots Dn \frac{Rnt}{Rno} \right) + VPt$$

Where:

- Pa = The new escalated price to be calculated.
- (1-V) P = 85% of the original bid price. **Note that Pt must always be the original bid price and not an escalated price.**
- D1, D2** = **Each factor of the bid price e.g. labour, transport, clothing, footwear, etc. The total of the various factors D1, D2 etc. must add up to 100%.**
- R1t, R2t = Index figure obtained from new index (depends on the number of factors used).
- R1o, R2o = Index figure at time of bidding.
- VPt = 15% of the original bid price. This portion of the bid price remains firm i.e. it is not subject to any price escalations.

3. The following index/indices was/were used to calculate the bid price:

3.1 Index .....dated .....dated Index .....dated Index .....dated Index .....dated Index .....dated

#### WCBD 3.1/2

3.2 Please furnish a breakdown of your price in terms of above-mentioned formula. The total of the various factors must add up to 100%.

FACTOR (D1, D2 etc. e.g. Labour, transport etc.)	PERCENTAGE OF BID PRICE

**PLEASE NOTE:** Proven cost adjustments and formula-based adjustments cannot both be considered at the same time.

## 4.1 DEFINITIONS

The following terms shall be interpreted as indicated:

- 4.1.1 "**Closing time**" means the date and hour specified in the bidding documents for the receipt of bids.
- 4.1.2 "**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.
- 4.1.3 "**Contract price**" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- 4.1.4 "**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.
- 4.1.5 "**Countervailing duties**" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- 4.1.6 "**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.
- 4.1.7 "**Day**" means calendar day.
- 4.1.8 "**Delivery**" means delivery in compliance of the conditions of the contract or order
- 4.1.9 "**Delivery ex stock**" means immediate delivery directly from stock actually on hand.
- 4.1.10 "**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.
- 4.1.11 "**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.
- 4.1.12 "**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.
- 4.1.13 "**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.
- 4.1.14 "**GCC**" means the General Conditions of Contract.
- 4.1.15 "**Goods**" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

- 4.1.16 **"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.
- 4.1.17 **"Local content"** means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 4.1.18 **"Manufacture"** means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 4.1.19 **"Order"** means an official written order issued for the supply of goods or works or the rendering of a service.
- 4.1.20 **"Project site,"** where applicable, means the place indicated in bidding documents.
- 4.1.21 **"Purchaser"** means the organization purchasing the goods.
- 4.1.22 **"Republic"** means the Republic of South Africa.
- 4.1.23 **"SCC"** means the Special Conditions of Contract.
- 4.1.24 **"Services"** means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as but not limited to: installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 4.1.25 **"Written"** or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

## **4.2 APPLICATION**

- 4.2.1 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.
- 4.2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 4.2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

## **4.3 GENERAL**

- 4.3.1 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.
- 4.3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria, 0001, or accessed electronically from [www.treasury.gov.za](http://www.treasury.gov.za).

## **4.4 STANDARDS**

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

## **4.5 USE OF CONTRACT DOCUMENTS AND INFORMATION; INSPECTION.**

- 4.5.1 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.

- 4.5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 4.5.1 except for purposes of performing the contract.
- 4.5.3 Any document, other than the contract itself mentioned in GCC clause 4.5.1 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.
- 4.5.4 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.

#### **4.6 PATENT RIGHTS**

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.

#### **4.7 PERFORMANCE SECURITY**

- 4.7.1 Within thirty (30) Business days of receipt of the notification of contract award, the Service Provider shall furnish to the purchaser the performance security of the amount specified in SCC.
- 4.7.2 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.
- 4.7.3 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 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  
a cashier's or certified cheque.
- 4.7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) Business days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

#### **4.8 INSPECTIONS, TESTS AND ANALYSES**

- 4.8.1 All pre-bidding testing will be for the account of the bidder.
- 4.8.2 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 representative of the Department or an organization acting on behalf of the Department.
- 4.8.3 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.
- 4.8.4 If the inspections, tests and analyses referred to in clauses 4.8.2 and 4.8.3 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.

- 4.8.5 Where the supplies or services referred to in clauses 4.8.2 and 4.8.3 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.
- 4.8.6 Supplies and services which are referred to in clauses 4.8.2 and 4.8.3 and which do not comply with the contract requirements may be rejected.
- 4.8.7 Any contract supplies may on or after delivery be inspected, tested or analysed 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.
- 4.8.8 The provisions of clauses 4.8.4 to 4.8.7 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 4.23 of GCC.

#### **4.9 PACKING**

- 4.9.1 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.
- 4.9.2 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.

#### **4.10 DELIVERY AND DOCUMENTS**

- 4.10.1 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.
- 4.10.2 Documents to be submitted by the supplier are specified in SCC.

#### **4.11 INSURANCE**

- 4.11.1 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.

#### **4.12 TRANSPORTATION**

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

#### **4.13 INCIDENTAL SERVICES**

- 4.13.1 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;
  - furnishing of tools required for assembly and/or maintenance of the supplied goods;
  - furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

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  
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.

- 4.13.2 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.

#### **4.14 SPARE PARTS**

- 4.14.1 As specified in the 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.

#### **4.15 WARRANTY**

- 4.15.1 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 actor omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.
- 4.15.2 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.
- 4.15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.
- 4.15.4 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.
- 4.15.5 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.

#### **4.16 PAYMENT**

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

#### **4.17 PRICES**

- 4.17.1 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.

#### **4.18 CONTRACT AMENDMENTS**

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

#### **4.19 ASSIGNMENT**

- 4.19.1 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.

#### **4.20 SUBCONTRACTS**

- 4.20.1 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.

#### **4.21 DELAYS IN THE SUPPLIER'S PERFORMANCE**

- 4.21.1 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.
- 4.21.2 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.
- 4.21.3 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.
- 4.21.4 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.
- 4.21.5 Except as provided under GCC Clause 4.25, 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 4.22, unless an extension of time is agreed upon pursuant to GCC Clause 4.21.2 without the application of penalties.
- 4.21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

#### **4.22 PENALTIES**

- 4.22.1 Subject to GCC Clause 4.25, if the supplier fails 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 4.23.



#### **4.23 TERMINATION FOR DEFAULT**

- 4.23.1 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 perform any or all of the services specified in the contract within the timeframes so agreed, or within any extension thereof granted by the purchaser pursuant to GCC Clause 4.21.2;
  - 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.
- 4.23.2 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.
- 4.23.3 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.
- 4.23.4 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) Business days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) Business days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.
- 4.23.5 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.
- 4.23.6 If a restriction is imposed, the purchaser must, within five (5) Business 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.

- 4.23.7 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, 2004 (Act 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.

#### **4.24 ANTI-DUMPING AND COUNTERVAILING DUTIES AND RIGHTS**

- 4.24.1 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.

#### **4.25 FORCE MAJEURE**

- 4.25.1 Notwithstanding the provisions of GCC Clauses 4.22 and 4.23, 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.
- 4.25.2 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.

#### **4.26 TERMINATION FOR INSOLVENCY**

- 4.26.1 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.

#### **4.27 SETTLEMENT OF DISPUTES**

- 4.27.1 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.
- 4.27.2 If, after thirty (30) Business 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.
- 4.27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 4.27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 4.27.5 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.

#### **4.28 LIMITATION OF LIABILITY**

- 4.28.1 Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 4.6;
- 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.

#### **4.29 GOVERNING LANGUAGE**

- 4.29.1 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.

#### **4.30 APPLICABLE LAW**

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

#### **4.31 NOTICES**

- 4.31.1 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
- 4.31.2 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.

#### **4.32 TAXES AND DUTIES**

- 4.32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 4.32.3 A local supplier shall be entirely responsible for all taxes, duties, and license fees incurred until delivery of the contracted goods to the purchaser.
- 4.32.3 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.

#### **4.33 NATIONAL INDUSTRIAL PARTICIPATION PROGRAMME (NIP)**

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

#### **4.34 PROHIBITION OF RESTRICTIVE PRACTICES**

- 4.34.1 In terms of section 4 (1) (b) (iii) of the Competition Act, 1998 (Act 89 of 1998), as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is/are or a contractor(s) was/were involved in collusive bidding (or bid rigging).
- 4.34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has/have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act, 1998 (Act 89 of 1998).
- 4.34.3 If a bidder(s) or contractor(s), has/have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and/or terminate the contract in whole or part, and/or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and/or claim damages from the bidder(s) or contractor(s) concerned.

**General Conditions of Contract (revised July 2010)**

## PROVINCIAL GOVERNMENT WESTERN CAPE

### DECLARATION OF INTERESTS, BIDDERS PAST SCM PRACTICES AND INDEPENDENT BID DETERMINATION

1. To give effect to the requirements of the Western Cape Provincial Treasury Instructions, 2019: Supply Chain Management (Goods and Services), Public Finance Management Act (PFMA) Supply Chain Management (SCM) Instruction No. 3 of 2021/2022 - SBD 4 Declaration of Interest, Section 4 (1)(b)(iii) of the Competition Act No. 89 of 1998 as amended together with its associated regulations, the Prevention and Combating of Corrupt Activities Act No 12 of 2004 and regulations pertaining to the tender defaulters register, Paragraph 16A9 of the National Treasury Regulations and/or any other applicable legislation.
2. 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.
3. All prospective bidders intending to do business with the Institution must be registered on the Central Supplier Database (CSD) and the Western Cape Supplier Evidence Bank (WCSEB) if they wish to do business with the Western Cape Government (WCG) via the electronic Procurement Solution (ePS).
4. The status of enterprises and persons listed on the National Treasury's Register for Tender Defaulters will be housed on the ePS. Institutions may not under any circumstances procure from enterprises and persons listed on the Database of Tender Defaulters.
5. The status of suppliers listed on the National Treasury's Database of Restricted Suppliers will be housed on the ePS; however, it remains incumbent on institutions to check the National Treasury Database of Restricted Suppliers before the conclusion of any procurement process. For suppliers listed as restricted, institutions must apply due diligence and risk assessment before deciding to proceed with procurement from any such supplier.

#### 6. Definitions

**“bid”** means a bidder's response to an institution's invitation to participate in a procurement process which may include a bid, price quotation or proposal;

**“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;

**“business interest”** means -

- (a) a right or entitlement to share in profits, revenue or assets of an entity;
- (b) a real or personal right in property;
- (c) a right to remuneration or any other private gain or benefit, or
- (d) includes any interest contemplated in paragraphs (a), (b) or (c) acquired through an intermediary and any potential interest in terms of any of those paragraphs;

**“Consortium or Joint Venture”** 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;

**“Controlling interest”** means, 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;

**“Corruption”**- General offences of corruption are defined in the Combating of Corrupt Activities Act, 2004 (Act No 12 of 2004) as:

Any person who directly or indirectly -

- (a) accepts or agrees or offers to accept an! gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person; or
- (b) gives or agrees or offers to give to any other person any gratification, whether for the benefit of that other person or for the benefit of another person., in order to act personally or by influencing another person so to act, in a manner—
  - (i) that amounts to the-
    - (aa) illegal, dishonest, unauthorized, incomplete or biased: or
    - (bb) misuse or selling of information or material acquired in the course of the exercise, carrying out or performance of any powers, duties or functions arising out of a constitutional, statutory, contractual or any other legal obligation:
  - (ii) that amounts to-
    - (aa) the abuse of a position of authority;
    - (bb) a breach of trust; or
    - (cc) the violation of a legal duty or a set of rules;
  - (iii) designed to achieve an unjustified result; or
  - (iv) that amounts to any other unauthorised or improper inducement to do or 45 not to do anything of the, is guilty of the offence of corruption.

**“CSD”** means the Central Supplier Database maintained by National Treasury;

**“employee”**, in relation to –

(a) a department, means a person contemplated in section 8 of the Public Service Act, 1994 but excludes a person appointed in terms of section 12A of that Act; and

(b) a public entity, means a person employed by the public entity;

**“entity”** means any -

(a) association of persons, whether or not incorporated or registered in terms of any law, including a company, corporation, trust, partnership, close corporation, joint venture or consortium; or

(b) sole proprietorship;

**“entity conducting business with the Institution”** means an entity that contracts or applies or tenders for the sale, lease or supply of goods or services to the Province;

**“Family member”** means a person's -

(a) spouse; or

(b) child, parent, brother, sister, whether such a relationship results from birth, marriage or adoption or some other legal arrangement (as the case may be);

**“intermediary”** means a person through whom an interest is acquired, and includes a representative or agent or any other person who has been granted authority to act on behalf of another person;

**“Institution”** means – a provincial department or provincial public entity listed in

Schedule 3C of the Act;

**“Provincial Government Western Cape (PGWC)”** means

(a) the Institution of the Western Cape, and

(b) a provincial public entity;

**“RWOEE”** means -

Remunerative Work Outside of the Employee's Employment

**“spouse”** means a person's -

(a) partner in marriage or civil union according to legislation;

(b) partner in a customary union according to indigenous law; or

(c) partner with whom he or she cohabits and who is publicly acknowledged by the person as his or her life partner or permanent companion.

7. Regulation 13(c) of the Public Service Regulations (PSR) 2016, effective 1 February 2017, prohibits any employee from conducting business with an organ of state, or holding a directorship in a public or private company doing business with an organ of state unless the employee is a director (in an official capacity) of a company listed in schedules 2 and 3 of the Public Finance Management Act.

- a) Therefore, by 31 January 2017 all employees who are conducting business with an organ of state should either have:
  - (i) resigned as an employee of the government institution or;
  - (ii) cease conducting business with an organ of state or;
  - (iii) resign as a director/shareholder/owner/member of an entity that conducts business with an organ of state.
8. Any legal person, or their family members, may make an offer or offers in terms of this invitation to bid. In view of potential conflict of interest, in the event that the resulting bid, or part thereof, be awarded to family members of persons employed by an organ of state, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where the bidder is employed by the Institution.
9. The bid of any bidder may be disregarded if that bidder or any of its directors abused the institution's supply chain management system; committed fraud or any other improper conduct in relation to such system; disclosure is found not to be true and complete; or failed to perform on any previous contract.
10. 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). Collusive bidding is a per se prohibition meaning that it cannot be justified under any grounds.
11. Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorises accounting officers and accounting authorities to:
  - a) disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
  - b) cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
12. Communication between partners in a joint venture or consortium will not be construed as collusive bidding.
13. 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.

SECTION A     DETAILS OF THE ENTITY		
	CSD Registration Number	MAAA
	Name of the Entity	
	Entity registration Number (where applicable)	
	Entity Type	
	Tax Reference Number	
<p>Full details of directors, shareholder, member, partner, trustee, sole proprietor or any persons having a controlling interest with a right or entitlement to share in profits, revenue or assets of the entity should be disclosed in the Table A below.</p>		

**TABLE A**

FULL NAME	DESIGNATION (Where a director is a shareholder, both should be confirmed)	IDENTITY NUMBER	PERSONAL TAX REFERENCE NO.	PERCENTAGE INTEREST IN THE ENTITY



**SECTION B: DECLARATION OF THE BIDDER'S INTEREST**

*The supply chain management system of an institution must, irrespective of the procurement process followed, prohibit any award to an employee of the state, who either individually or as a director of a public or private company or a member of a close corporation, seek to conduct business with the WCG, unless such employee is in an official capacity a director of a company listed in Schedule 2 or 3 of the PFMA as prescribed by the Public Service Regulation 13(c).*

*Furthermore, an employee employed by an organ of state conducting remunerative work outside of the employee's employment should first obtain the necessary approval by the delegated authority (RWOEE), failure to submit proof of such authority, where applicable, may result in disciplinary action.*

B1.	Are any persons listed in Table A identified on the CSD as employees of an organ of state? (If yes, refer to Public Service Circular EIM 1/2016 to exercise the listed actions)	NO	YES
B2.	Are any employees of the entity also employees of an organ of state? (If yes complete Table B and attach their approved "RWOEE")	NO	YES
B3.	Are any family members of the persons listed in Table A employees of an organ of state? (If yes complete Table B)	NO	YES

**TABLE B**

*Details of persons (family members) connected to or employees of an organ of state should be disclosed in Table B below.*

FULL NAME OF EMPLOYEE	IDENTITY NUMBER	DEPARTMENT/ ENTITY OF EMPLOYMENT	DESIGNATION/ RELATIONSHIP TO BIDDER**	INSTITUTION EMPLOYEE NO./ PERSAL NO. (Indicate if not known)

**SECTION C: PERFORMANCE MANAGEMENT AND BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES**  
To enable the prospective bidder to provide evidence of past and current performance.

C1.	Did the entity conduct business with an organ of state in the last twelve months? (If yes complete Table C)	NO	YES
-----	--	----	-----

**C2. TABLE C**

**Complete the below table to the maximum of the last 5 contracts.**

NAME OF CONTRACTOR	PROVINCIAL DEPARTMENT OR PROVINCIAL ENTITY	TYPE OF SERVICES OR COMMODITY	CONTRACT/ ORDER NUMBER	PERIOD OF CONTRACT	VALUE OF CONTRACT	
C3. Is the entity or its principals listed on the National Database as companies or persons prohibited from doing business with the public sector?					NO	YES
C4. Is the entity or its principals listed on the National Treasury Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No. 12 of 2004)?					NO	YES
(To access this Register enter the National Treasury's website, <a href="http://www.treasury.gov.za">www.treasury.gov.za</a> , click on the icon "Register for facsimile number Tender Defaulters" or submit your written request for a hard copy of the Register to (012) 326 5445.)						
C5. If yes to C3 or C4, were you informed in writing about the listing on the database of restricted suppliers or Register for Tender Defaulters by National Treasury?				NO	YES	N/A
C6. Was the entity or persons listed in Table A convicted for fraud or corruption during the past five years in a court of law (including a court outside the Republic of South Africa)?					NO	YES
C7. Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?					NO	YES

SECTION D: DULY AUTHORISED REPRESENTATIVE TO DEPOSE TO AFFIDAVIT

*This form must be signed by a duly authorised representative of the entity in the presence of a commissioner of oaths.*

I, ..... hereby swear/affirm;

- i. that the information disclosed above is true and accurate;
- ii. that I have read understand the content of the document;
- iii. that I have arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor.
- iv. that the entity undertakes to independently arrive at any offer at any time to the Institution without any consultation, communication, agreement or arrangement with any competitor. In addition, that there will be no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specification, 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;
- v. that the entity or its representative are aware of and undertakes not to disclose the terms of any bid, formal or informal, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract; and
- vi. that there have been no consultations, communications, agreements or arrangements made 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 that my entity was not involved in the drafting of the specifications or terms of reference for this bid.

.....  
DULY AUTHORISED REPRESENTATIVE'S SIGNATURE

I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down his/her answers in his/her presence:

- i. Do you know and understand the contents of the declaration? ANSWER: .....
- ii. Do you have any objection to taking the prescribed oath? ANSWER: .....
- iii. Do you consider the prescribed oath to be binding on your conscience? ANSWER:.....
- iv. Do you want to make an affirmation? ANSWER: .....

I certify that the deponent has acknowledged that he/she knows and understands the contents of this declaration, which was sworn to/affirmed and the deponent's signature/thumbprint/mark was place thereon in my presence.

.....  
SIGNATURE FULL NAMES Commissioner of Oaths

Designation (rank) ..... ex officio: Republic of South Africa

Date:..... Place .....

Business Address: .....

.....

## INTRODUCTION

The National Industrial Participation Programme (NIP), which is applicable to all government procurement contracts that have an imported content, became effective on 1 September 1996. The NIP policy and guidelines were fully endorsed by Cabinet on 30 April 1997. In terms of the Cabinet decision, all state and parastatal purchases/lease contracts (for goods, works and services) entered into after this date, are subject to the NIP requirements. NIP is obligatory and therefore must be complied with. The Industrial Participation Secretariat (IPS) of the Department of Trade and Industry (DTI) is charged with the responsibility of administering the programme.

### 1. PILLARS OF THE PROGRAMME

1.1 The NIP obligation is benchmarked on the imported content of the contract. Any contract having an imported content equal to, or exceeding, US\$ 10 million or other currency equivalent to US\$ 10 million, will have an NIP obligation. The threshold of US\$ 10 million can be reached as follows:

- (a) Any single contract with imported content exceeding US\$ 10 million.
- or
- (b) Multiple contracts for the same goods, works or services, each with imported content exceeding US\$ 3 million awarded to one seller over a 2 year period, which in total exceeds US\$ 10 million.
- or
- (c) A contract with a renewable option clause where, should the option be exercised, the total value of the imported content will exceed US\$ 10 million.
- or
- (d) Multiple suppliers of the same goods, works or services under the same contract, where the value of the imported content of each allocation is equal to, or exceeds, US\$ 3 million worth of goods, works or services to the same government institution, which in total, over a 2 year period, exceeds US\$ 10 million.

1.2 The NIP obligation applicable to suppliers in respect of sub-paragraphs 1.1(a) to 1.1(c) above will amount to 30% of the imported content, whilst suppliers in respect of paragraph 1.1(d) shall incur 30% of the total NIP obligation on a *pro rata* basis.

1.3 To satisfy the NIP obligation, the DTI would negotiate and conclude agreements such as investments, joint ventures, sub-contracting, licensee production, export promotion, sourcing arrangements and research and development (R & D) with partners or suppliers.

1.4 A period of 7 years has been identified as the timeframe within which to discharge the obligation.

### 2. REQUIREMENTS OF THE DEPARTMENT OF TRADE AND INDUSTRY

2.1 In order to ensure effective implementation of the programme, successful bidders (contractors) are required, immediately after the award of a contract that is in excess of R10 million (ten million Rands), to submit details of such a contract to the DTI for reporting purposes.

2.2 The purpose of reporting details of contracts in excess of the amount of R10 million is to cater for multiple contracts for the same goods, works or services, renewable contracts and multiple suppliers for the same goods, works or services under the same contract as provided for in the aforementioned sub-paragraphs 1.1(b) to 1.1(d).

### 3. BID SUBMISSION AND CONTRACT REPORTING REQUIREMENTS OF BIDDERS AND SUCCESSFUL BIDDERS (CONTRACTORS)

- 1.1 Bidders are required to sign and submit this WCBD5 document together with the bid on the closing date and time.

3.2 In order to accommodate multiple contracts for the same goods, works or services, renewable contracts and multiple suppliers for the same goods, works or services under the same contract as indicated in sub-paragraphs 1.1(b) to 1.1(d), and to enable the DTI in determining the NIP obligation, successful bidders (contractors) are required, immediately after being officially notified about any successful bid with a value in excess of R10 million, to contact and furnish the DTI with the following information:

- Bid/contract number.
- Description of goods, works or services.
- Name on which the contract was accepted.
- Name, address and contact details of the government institution.
- Value of the contract.
- Imported content of the contract, if possible.

3.3 The information required in paragraph 3.2 above must be sent to the Department of Trade and Industry, Private Bag X84, Pretoria, 0001 for the attention of Mr Elias Malapane within 5 (five) working days after award of the contract. Mr Malapane may be contacted on telephone (012) 394-1401, facsimile (012) 394-2401 or e-mail at [emalapane@thedti.gov.za](mailto:emalapane@thedti.gov.za) for further details about the programme.

#### 4. **PROCESS TO SATISFY THE NIP OBLIGATION**

4.1 Once the successful bidder (contractor) has made contact and furnished the DTI with the information required, the following steps will be followed:

- (a) the contractor and the DTI will determine the NIP obligation;
- (b) the contractor and the DTI will sign the NIP obligation agreement;
- (c) the contractor will submit a performance guarantee to the DTI;
- (d) the contractor will submit a business concept for consideration and approval by the DTI;
- (e) upon approval of the business concept by the DTI, the contractor will submit detailed business plans outlining the business concepts;
- (f) the contractor will implement the business plans, and
- (g) the contractor will submit bi-annual progress reports on approved plans to the DTI.

4.2 THE NIP obligation agreement is between the DTI and the successful bidder (contractor) and therefore does not involve the purchasing institution.

BID NUMBER: <b>WCGHCC164/2023</b>		Closing date: <b>Monday, 4 September 2023</b>	
Name of bidder: _____			
Postal address: _____			
_____			
_____			
Signature: _____		Name in print: _____	
Date: _____			

**NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT AND THE CODES OF GOOD PRACTICE.**

**1. DEFINITIONS**

- 1.1 **"acceptable tender"** means any tender which, in all respects, complies with the specifications and conditions of tender as set out in the tender document.
- 1.2 **"affidavit"** is a type of verified statement or showing, or in other words, it contains a verification, meaning it is under oath or penalty of perjury, and this serves as evidence to its veracity and is required for court proceedings.
- 1.3 **"all applicable taxes"** includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- 1.4 **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- 1.5 **"B-BBEE status level of contributor"** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- 1.6 **"bid"** means a written offer on the official bid documents or invitation of price quotations and "tender" is the act of bidding /tendering; **(Therefore in the context of the 2017 regulations "bidder" and "tenderer" have the same meaning)**
- 1.7 **"Code of Good Practice"** means the generic codes or the sector codes as the case may be;
- 1.8 **"consortium or joint venture"** 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;
- 1.9 **"contract"** means the agreement that results from the acceptance of a bid by an organ of state;
- 1.10 **"EME"** is an Exempted Micro Enterprise with an annual total revenue of R10 million or less.
- 1.11 **"Firm price"** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 1.12 **"functionality"** means the ability of a tenderer to provide goods or services in accordance with specification as set out in the tender documents;
- 1.13 **"Large Enterprise"** is any enterprise with an annual total revenue above R50 million;
- 1.14 **"non-firm prices"** means all prices other than "firm" prices;
- 1.15 **"person"** includes a juristic person;
- 1.16 **"price"** includes all applicable taxes less all unconditional discounts;
- 1.17 **"proof of B-BBEE status level contributor"** means-
  - (a) The B-BBEE status level certificate issued by an authorized body or person;
  - (b) A sworn affidavit as prescribed in terms of the B-BBEE Codes of Good Practice; or

- (c) Any other requirement prescribed in terms of the Broad-Based Black Economic Empowerment Act.

- 1.18 **QSE** is a Qualifying Small Enterprise with an annual total revenue between R10 million and R50 million;
- 1.19 **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of the tender invitation;
- 1.20 **“sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
- 1.21 **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- 1.22 **“the Regulations”** means the Preferential Procurement Regulations, 2017;
- 1.23 **“total revenue”** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette on 11 October 2013*;
- 1.24 **“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; and
- 1.25 **“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.

## 2. GENERAL CONDITIONS

- 2.1 The following preference point systems are applicable to all bids:
- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
  - the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).
- 2.2 Preference point system for this bid:
- (a) The value of this bid is estimated to exceed/not exceed R50 000 000 (all applicable taxes included) and therefore the ..... preference point system shall be applicable; or
- (b) Either the 80/20 or 90/10 preference point system will be applicable to this tender  
(delete whichever is not applicable for this tender).
- 2.3 Preference points for this bid shall be awarded for:
- (a) Price; and
- (b) B-BBEE Status Level of Contribution.
- 2.4 The maximum points for this bid are allocated as follows:

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

- 2.5 Failure on the part of a bidder to fill in, sign this form and submit in the circumstances prescribed in the Codes of Good Practice either a B-BBEE Verification Certificate issued by a Verification Agency accredited by the South African Accreditation System (SANAS) or an affidavit confirming annual total revenue and level of black ownership together with the bid or an affidavit issued by Companies Intellectual Property Commission, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

- 2.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

### 3. ADJUDICATION USING A POINT SYSTEM

- 3.1 Subject to Regulation 11 of the Regulations, the bidder obtaining **the highest number of total points** will be awarded the contract.
- 3.2 A tenderer must submit proof of its B-BBEE status level of contributor in order to claim points for B-BBEE.
- 3.3 A tenderer failing to submit proof of B-BBEE status level of contributor or is a non-compliant contributor to B-BBEE will not be disqualified but will only score:  
(a) points out of 80 for price; and  
(b) 0 points out of 20 for B-BBEE
- 3.4 Points scored must be rounded off to the nearest 2 decimal places.
- 3.5 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 3.6 When functionality is part of the evaluation process and two or more bids have scored equal total points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest points for functionality.
- 3.7 Should two or more bids be equal in all respects; the award shall be decided by the drawing of lots.

### 4. POINTS AWARDED FOR PRICE

#### 4.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEM

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

**80/20 or 90/10**

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

Where

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

### 5. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTION

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

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



6	6
7	4
8	2
Non-compliant contributor	0

- 5.2 An **EME** must submit a valid, originally certified affidavit confirming annual turnover and level of black ownership or an affidavit issued by Companies Intellectual Property Commission
- 5.3 A **QSE that is less than 51% (50% or less) black owned** must be verified in terms of the QSE scorecard issued via Government Gazette and submit a valid, original or a legible certified copy of a B-BBEE Verification Certificate issued by SANAS.
- 5.4 A **QSE that is at least 51% black owned (51% or higher)** must submit a valid, originally certified affidavit confirming turnover and level of black ownership as well as declare its empowering status or an affidavit issued by Companies Intellectual Property Commission.
- 5.5 A **large enterprise** must submit a valid, original or originally certified copy of a B-BBEE Verification Certificate issued by a verification agency accredited by SANAS.
- 5.6 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 5.7 A trust, consortium or joint venture (including unincorporated consortia and joint ventures) must submit a consolidated B-BBEE status level verification certificate for every separate tender.
- 5.8 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- 5.9 A tenderer may not be awarded points for B-BBEE status level of contributor if the bid documents indicate that the tenderer intends sub-contracting more than 25% of the value of the contract to any other person not qualifying for at least the points that such a tenderer qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.
- 5.10 A tenderer awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level of contributor than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.
- 5.11 [see paragraph 5.3 (e) PT Circular .....]

#### **BID DECLARATION**

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

#### **6. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPH 5**

- 7.1 B-BBEE Status Level of Contribution..... = ..... **(maximum of 20 points)**

***(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or an affidavit confirming annual total revenue and level of black ownership in terms of the relevant sector code applicable to the tender.***

#### **7. SUB-CONTRACTING**

- 8.1 Will any portion of the contract be sub-contracted? **YES / NO** (delete which is not applicable)

- 8.1.1 If yes, indicate:
- (i) what percentage of the contract will be subcontracted? .....%
  - (ii) the name of the sub-contractor? .....
  - (iii) the B-BBEE status level of the sub-contractor? .....
  - (iv) whether the sub-contractor is an EME or QSE? **YES / NO** (delete which is not applicable)

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

8.1 Name of company/ entity: .....

8.2 VAT registration number: .....

8.3 Company Registration number: .....

**8.4 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBEE status level of contribution indicated in paragraph 7 above, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:**

- (a) The Western Cape Government reserves the right to audit the B-BBEE status claim submitted by the bidder.**
- (b) As set out in Section 13O of the B-BBEE Act as amended, any misrepresentation constitutes a criminal offence. A person commits an offence if that person knowingly:**
  - (i) misrepresents or attempts to misrepresent the B-BBEE status of an enterprise;**
  - (ii) provides false information or misrepresents information to a B-BBEE Verification Professional in order to secure a particular B-BBEE status or any benefit associated with compliance to the B-BBEE Act;**
  - (iii) provides false information or misrepresents information relevant to assessing the B-BBEE status of an enterprise to any organ of state or public entity; or**
  - (iv) engages in a fronting practice.**
- (c) If a B-BBEE verification professional or any procurement officer or other official of an organ of state or public entity becomes aware of the commission of, or any attempt to commit any offence referred to in paragraph 9.1 (a) above will be reported to an appropriate law enforcement agency for investigation.**
- (d) Any person convicted of an offence by a court is liable in the case of contravention of 9.4 (b) to a fine or to imprisonment for a period not exceeding 10 years or to both a fine and such imprisonment or, if the convicted person is not a natural person to a fine not exceeding 10% of its annual turnover.**
- (e) The purchaser may, if it becomes aware that a bidder may have obtained its B-BBEE status level of contribution on a fraudulent basis, investigate the matter. Should the investigation warrant a restriction be imposed, this will be referred to the National Treasury for investigation, processing and imposing the restriction on the National Treasury's List of Restricted Suppliers. The bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, may 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.**
- (f) The purchaser may, in addition to any other remedy it may have –**
  - (i) disqualify the person from the bidding process;**
  - (ii) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;**
  - (iii) 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; and**
  - (iv) forward the matter for criminal prosecution.**
- (g) The information furnished is true and correct.**

**(h) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 2 of this form.**

**SIGNATURE(S) OF THE BIDDER(S):**

DATE:

**ADDRESS:**

**WITNESSES:**

1. ....

2. ....

1. I, the undersigned

<b>Full name and surname</b>	
<b>Identity number</b>	

2. Hereby declare under oath as follows:

- (i) The contents of this statement are to the best of my knowledge a true reflection of the facts.  
 (ii) I am a member/director/owner of the following enterprise and am duly authorized to act on its behalf:

<b>Enterprise name</b>	
<b>Trading name</b>	
<b>Registration number</b>	
<b>Enterprise address</b>	

3. I hereby declare under oath that:

- The enterprise is \_\_\_\_\_ % Black owned;
- The enterprise is \_\_\_\_\_ % Black woman owned;
- Based on management accounts and other information available for the \_\_\_\_\_ financial year, the income did not exceed R50 000, 000.00 (fifty million Rand)
- The entity is an Empowering Supplier in terms of Clause 3.3 (a) or (b) or (c) or (d) r (e) as amended (select one) \_\_\_\_\_ of the dti Codes of Good Practice.
- Please confirm in the table below the B-BBEE contributor **by ticking the applicable box.**

<b>100% Black owned</b>		<b>Level One</b> (135% B-BBEE procurement recognition)	
<b>More than 51% Black owned</b>		<b>Level Two</b> (125% B-BBEE procurement recognition)	
(a)	At least <b>25%</b> of cost of sales (excluding labour costs and depreciation) must be procurement from local producers or suppliers in South Africa; For the service industry, include labour costs capped at 15%.	(b)	At least 50% of jobs created are for Black people, provided that the number of Black employees in the B-BBEE measurement verified immediately before is maintained.
(c)	At least <b>25%</b> transformation of raw material/beneficiation, which includes local manufacturing, production and/or assembly, and/or packaging.	(d)	At least 12 days per annum of productivity deployed in assisting QSE end EME beneficiaries to increase their operational or financial capacity.
(e)	At least 85% of labour costs should be paid to South African employees by service industry entities.		

4. I know and understand the content of this affidavit, I have no objection to taking the prescribed oath, I consider the oath binding on my conscience and not on the owners of the enterprise which I represent in this matter.

5. The sworn affidavit will be valid for a period of 12 months from the date of signature by the commissioner.

**Deponent signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

\_\_\_\_\_  
**Commissioner of Oaths signature & stamp**

### Introduction

In order to eliminate possible abuse of the Preferential Procurement System in the form of *fronting*, the Department reserves the right to investigate Bidders to ascertain whether a person or persons, business or enterprise is *fronting*.

**“Fronting”** means a transaction, arrangement or other act or conduct that directly or indirectly undermines or frustrates the achievement of the objectives of the Broad Based Black Economic Empowerment Act 2003 (Act 53 of 2003) or the implementation of any of the provisions of this Act, including but not limited to practices in connection with a B-BBEE initiative-

- (a) in terms of which black persons who are appointed to an enterprise are discouraged or inhibited from substantially participating in the core activities of that enterprise;
- (b) in terms of which the economic benefits received as a result of the broad-based black economic empowerment status of an enterprise do not flow to black people in the ratio specified in the relevant legal documentation;
- (c) involving the conclusion of a legal relationship with a black person for the purpose of that enterprise achieving a certain level of broad-based black economic empowerment compliance without granting that black person the economic benefits that would reasonably be expected to be associated with the status or position held by that black person; or
- (d) involving the conclusion of an agreement with another enterprise in order to achieve or enhance broad-based black economic empowerment status in circumstances in which-
  - (i) there are significant limitations, whether implicit or explicit, on the identity of suppliers, service providers, clients or customers;
  - (ii) the maintenance of business operations is reasonably considered to be improbable, having regard to the resources available; or
  - (iii) the terms and conditions were not negotiated at arm's length and on a fair and reasonable basis.

Preferential Procurement, as enunciated in section 217 of the Constitution of the Republic of South Africa, 1996 provides for categories of preferences in the allocation of contracts and the protection and advancement of persons or categories of persons disadvantaged by unfair discrimination. Preferential Procurement was created to accommodate socio-economic objectives in the procurement process, by providing a public, competitive and fair bidding system which allows for participation by all South Africans, while creating accelerated opportunities for target groups, although guided by value for money.

Fronting, therefore, would occur where the person claiming points knows that they do not comply with these requirements and yet wrongfully and fraudulently misrepresents that they do so comply. To this end, your attention is drawn to The Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000) read with the Preferential Procurement Regulations, 2017, including Regulation 14, which sets out the applicable remedies to cases of fronting.

### Disclosure of information

To enable Supply Chain Management officials to verify ownership, and thus equity, the submitted Bid Document must, inter alia include, CK1 forms, Share Certificates, and Letters of Authority.

Should these documents not be readily available, the Department may request such documents within a reasonable time frame. Various other agreements such as Shareholders Agreements, voting pool agreements and Venture Agreements could also be requested, to provide a base from where control and management structures in a business of enterprise can be accurately scrutinised.