



TENDER NO: RFP36/02/2024

**APPOINTMENT OF A PANEL OF QUALIFIED AND SUITABLE
SERVICE PROVIDERS TO INVESTIGATE AND CORRECT WATER
BILLING, RATES AND TAXES FOR A PERIOD OF THREE (3)
YEARS, USING A REVENUE SHARING MODEL**

ISSUED BY:

Department of Infrastructure Development
Chief Directorate Maintenance
Private Bag X 83
Marshalltown
2107

FEB 2024

NAME OF TENDERING ENTITY:

INVITATION TO TENDER

Tender Description:	Appointment of a Panel of qualified and suitable Service Providers to investigate and correct Water Billing, Rates and Taxes for a period of Three (3) Years, using a Revenue Sharing Model.
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Tender Number:	RFP36/02/2024
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Tender Documents available from: 09 FEBRUARY 2024	Tender documents can be downloaded from: E-Tender portal on the below link: http://e-tenders.treasury.gov.za http://e-tenders.gauteng.gov.za
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Tender Validity:	180 calendar days
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Address for Submission of Tenders:	Department of Infrastructure Development (GDID Tender Box) Corner House Building, Corner Commissioner and Pixley Ka Isaka Seme (Sauer Street) Marshalltown Johannesburg
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Compulsory Pre-bid Meeting / Site Meeting:	MEETING ADDRESS: Lower ground Auditorium Department of Infrastructure Development Corner House Building, Corner Commissioner and Pixley Ka Isaka Seme (Sauer Street) Marshalltown, Johannesburg
	DATE OF MEETING: 15 FEBRUARY 2024
	TIME: 10h00
	N/B: The representative attending the compulsory site briefing may only attend on behalf of one bidding enterprise and/or Joint Venture/Consortium/Trust

Evaluation Steps:	1) Mandatory Compliance Requirements 2) Other Administrative Requirements 3) Functionality Evaluation 4) Specific Goals
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Mandatory Compliance Requirements	Failure to submit / meet or comply with the following requirements outlined in Section 4.1 automatically constitutes disqualification of tender offer.
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Other Administrative Requirements	The returnable documents applicable to Section 4.2 of the Terms of reference must be fully completed and submitted.
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Functionality Evaluation	Functionality evaluation will be conducted in accordance with Section 4.3 of the Terms of Reference.
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Enquiries Technical:	Project Manager: Godfrey Mutshaeni Email Address: Godfrey.Mutshaeni@gauteng.gov.za
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Enquiries General:	SCM: Millicent Chauke Email Address: millicent.chauke@gauteng.gov.za
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Last date for accepting enquiries:	3 days before closing date
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<u>Note to Tenderers:</u>
All successful service provider will be subject to signing Service Level Agreement (SLA) and standard Rates as prescribed by the department and the Preferential Procurement Policy Framework Act no 5 of 2000 and its Regulations of 2022.

PART A
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (GAUTENG DEPARTMENT OF INFRASTRUCTURE)

BID NUMBER:	RFP 36/02/2024	CLOSING DATE:	01 MARCH 2024	CLOSING TIME:	11:00 AM
DESCRIPTION	Appointment of a Panel of qualified and suitable Service Provider to investigate and correct Water Billing, Rates and Taxes for a period of Three (3) Years, using a Revenue Sharing Model.				

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

Corner House Building

63 Commissioner Street

Johannesburg

2001

SUPPLIER INFORMATION

NAME OF BIDDER				
POSTAL ADDRESS				
STREET ADDRESS				
TELEPHONE NUMBER	CODE		NUMBER	
CELLPHONE NUMBER				
FACSIMILE NUMBER	CODE		NUMBER	
E-MAIL ADDRESS				
VAT REGISTRATION NUMBER				
	TCS PIN:		OR	CSD No:
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes <input type="checkbox"/> No	B-BBEE STATUS LEVEL SWORN AFFIDAVIT	<input type="checkbox"/> Yes <input type="checkbox"/> No	

1.1.1.1 <u>ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSURE PROOF]	1.1.1.2 <u>ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ANSWER PART B:3 BELOW]
1.1.1.3 <u>SIGNATURE OF BIDDER</u>	1.1.1.4 <u>DATE</u>	
1.1.1.5 <u>CAPACITY UNDER WHICH THIS BID IS SIGNED (Attach proof of authority to sign this bid; e.g. resolution of directors, etc.)</u>			
1.1.1.6 <u>TOTAL NUMBER OF ITEMS OFFERED</u>		1.1.1.7 <u>TOTAL BID PRICE (ALL INCLUSIVE)</u>	
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:	
DEPARTMENT/ PUBLIC ENTITY	Department of Infrastructure Development	CONTACT PERSON	Godfrey Mutshaeni
CONTACT PERSON	Millicent Chauke	TELEPHONE NUMBER	N/A
TELEPHONE NUMBER	N/A	FACSIMILE NUMBER	N/A
FACSIMILE NUMBER	N/A	E-MAIL ADDRESS	
E-MAIL ADDRESS	millicent.chauke@gauteng.gov.za	Godfrey.Mutshaeni@gauteng.gov.za	

PART B
TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED- (NOT TO BE RE-TYPED) OR ONLINE**
- 1.3. **BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.**
- 1.4. **WHERE A BIDDER IS NOT REGISTERED ON THE CSD, MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS MAY NOT BE SUBMITTED WITH THE BID DOCUMENTATION. ORIGINAL B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.**
- 1.5. 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 LEGISLATION OR SPECIAL CONDITIONS OF CONTRACT.

2. TAX COMPLIANCE REQUIREMENTS

- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
- 2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.
- 2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.
- 2.6 WHERE NO TCS PINS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL DATABASE (CSD) A CSD NUMBER MUST BE PROVIDED

3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

- 3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?
 YES NO
- 3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA?

3.3. YES NO

3.4. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?
 YES NO

3.5. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?
 YES NO

IF THE ANSWER IS “NO” TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO OBTAIN A TAX COMPLIANCE STATUS / TAX COMPLIANCE SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.

NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. BIDDER'S DECLARATION

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

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

Full Name	Identity Number	Name of State institution

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

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

2.2.1 If so, furnish particulars:

.....
.....

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

2.3.1 If so, furnish particulars:

.....
.....

3 DECLARATION

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

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of bidder

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

SBD 6.1

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

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

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

1. GENERAL CONDITIONS

1.1 The following preference point system is applicable to invitations to tender:

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

1.2 **To be completed by the organ of state**

- a) The applicable preference point system for this tender is the **80/20** preference point system.
- b) The **80/20 preference point system** will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

- (a) Price; and
- (b) Specific Goals.

1.4 **To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

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

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points

for specific goals are not claimed.

2. The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

3. DEFINITIONS

- (a) “**tender**” means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) “**price**” means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) “**rand value**” means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) “**tender for income-generating contracts**” means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) “**the Act**” means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

4. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

3.1.1 THE 80/20 PREFERENCE POINT SYSTEMS

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

80/20

$$Ps = 80 \left(1 - \frac{Pt - P_{min}}{P_{min}} \right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

3.2. FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

3.2.1. POINTS AWARDED FOR PRICE

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

80/20

$$Ps = 80 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right)$$

Where

Ps = Points scored for price of tender under consideration
Pt = Price of tender under consideration
Pmax = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
- (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

Table 1: Specific goals for the tender and points claimed are indicated per the table below.

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
A company that is at least 51% owned by black people	2 Points	
A company that is at least 100% owned by black women	4 Points	
A company that is at least 100% owned by youth	4 Points	
A company that is at least 51% owned by Military Veterans	4 Point	

A company that is at least 51% owned by people with disability	3 Points	
Companies situated in a Township or Under – Developed Areas with the Business Address based in Gauteng.	3 Points	

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number:

4.5. **TYPE OF COMPANY/ FIRM**

[TICK APPLICABLE BOX]

- Partnership/Joint Venture / Consortium
- One-person business/sole proprietor
- Close corporation
- Public Company
- Personal Liability Company
- (Pty) Limited
- Non-Profit Company
- State Owned Company

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;

- (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
- (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution, if deemed necessary.

.....
SIGNATURE(S) OF TENDERER(S)

SURNAME AND NAME:

DATE:

ADDRESS:

.....

.....

.....

1.1.2 Specific Goals

The enterprises are scored out of a maximum of 20 points for socio-economic goals.

HDI TARGETED GROUPS – AT LEAST 51% BLACK OWNERSHIP AS FOLLOWS:	POINTS ALLOCATION
TOWNSHIPS, RURAL OR UNDERDEVELOPED AREAS: The address on CIPC company registration documents will be utilized to determine the allocation of points, no points will be allocated if the company is not registered under the township, Rural or Underdeveloped area	3 Points
WOMEN: (Provide ID documents for Members / shareholder / Directors / Owner, no points will be allocated if ID's are not provided)	2 Points
YOUTH: Provide ID documents for Members / shareholder / Directors / Owner, no points will be allocated if ID's are not provided	5 Points
PEOPLE WITH DISABILITY (PwD): Provide a confirmation letter / certificate from medical practitioner, no points will be allocated if no confirmation letter or certificate from medical practitioner stating the permanent disability for the owner/ director / member shareholder of the company	5 Points
MILITARY VETERANS: Provide a confirmation letter with a force number from department of military veterans, no points will be allocated if no confirmation letter or certificate from department of military veterans stating the membership of the owner/ director / member shareholder of the company	5 Points
TOTAL HDI's POINTS	20 Points

TENDER NO: 36/02/2024

SPECIFICATION

Appointment of a Panel of qualified and suitable Service Provider to investigate and correct Water Billing, Rates and Taxes for a period of Three (3) Years, using a Revenue Sharing Model.

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1. BACKGROUND

1.1 Water

Water is a necessity for the sustenance of life on earth. While the supply may seem abundant, water is not an infinite resource, particularly fresh potable water necessary to our survival. Overuse of water results in critical shortages. South Africa is classified as being water scarce and heading towards water stressed in global terms. As the population rapidly grows in the country, more especially in Gauteng Province, the demand for this limited resource has also increased spontaneously rapidly. Therefore, it is important that water is used wisely and not wasted. The current drought situation and energy crisis in South Africa has caused several municipalities to implement water shedding and those certain activities have been severely interrupted.

It has been observed that in most GPG facilities there is significant water wastage, with unreasonable water bills accumulating interests every month and consequently consume a large portion of the budgets. Therefore, the Department will be implementing this program to ensure water security in our facilities. This is done through utilizing a water saving technologies that can reduce water wastage by detecting leakages, monitoring consumed water volume per day, and therefore suggests the implementation of water conservation mechanism / system. The smart water meters and submetering to be integrated as part of the project as validation meters against the municipal metering system. The monitoring of water flow into the facility and consumption to be conducted by utilizing an online platform. The water efficiency system that includes aerators in bathroom, kitchen sink taps, waterless urinal system and Leak-Less valve to be installed.

1.2 Rates and Taxes

The Local Government: Municipal Property Rates Act [No. 6 of 2004], section 2 expressly provides a metropolitan or local municipality the power to levy rates. Therefore, properties that are managed by the Gauteng Department of Infrastructure Development (GDID) are located within different metropolitan or local municipalities.

The Act requires that each municipality has a Rate Policy, which affect the rates payable by the department.

The Gauteng Provincial Government is faced with high cost of rates and taxes on its immovable asset portfolio and as a result an effective property rates and taxes management solution and assessment is necessary to optimize the costs and benefit from lower property rates and taxes annually.

In furtherance of the above, the GDID requires the Service Provider(s) with a requisite expertise and experience for the provision of Valuation Review, Municipal Accounts verification and corrections of rates & taxes for Gauteng Provincial Government.

DID would appoint a service provider to conduct the review of the municipal valuation rolls to determine if the provincial properties are valued at the right cost, verify the accuracy and correctness of the municipal billing. The DID and the Professional service provider would enter into a 3-year agreement to stipulate the terms and conditions of the PSP's appointment.

2. OBJECTIVES

2.1 Water

- To appoint a Service Provider to deliver the services.
- To conduct assessment in each site and recommend water conservation techniques to be implemented.
- To install water conservation techniques and ensure water efficiency uses at facilities.
- To identify, manage water leakages and reduction of water bills.
- To install water meters and submetering in bathrooms and the kitchen.
- To install an online water usage monitoring platform; and
- Develop a close-out report.

2.2 Rates and Taxes

- To manage cost per property (Completeness, accuracy and rights and obligation).
- To verify rates and taxes accounts on government owned properties and to establish the process to effect the payment to the correct accounts (reconcile accounts against the IAR in alignment with the IAR project);
- To identify accounts meant for other custodian departments and notify the municipalities for correct billing and the custodians to update their asset registers with regard to property ownership; and to assume responsibility for the payment of property rates and to budget appropriately.
- To verify the account information currently on the Provincial Asset Registers by reconciling the existing records to that at the Deeds Registry, Municipal Valuation Roll and Municipal Systems Billing Records. In addition, confirm that the evaluation is compliant with the local government municipality property rates Act;
- To recommend the necessary internal controls to correctly process any decisions related to change of account information in respect of property ownership and propose standard operating procedures for implementation, so that data integrity is maintained in the longer term.
- Review the Municipal Rates Policies from the metropolitan and local municipalities and whether they are applied correctly.
- To assist DID to identify possible savings and cost reduction on property rates where overcharges are found and ensure correct rates are charged per property type and category in each municipality. The savings constitute money which would ordinarily be paid out by DID on yearly basis as property rates and taxes expenses.

Full Portfolio of Properties in scope:

Corridor	No of Properties
Central	3063
Eastern	1916
Northern	1517
Southern	1083
Western	652
Total	8231

3. SCOPE OF WORK

3.1 Water

- 1) Prepare comprehensive water audits for the selected/ identified GPG facilities to benchmark the current water consumption and prepare a baseline consumption report;
- 2) Develop the most efficient and cost-effective water saving strategies that can be employed to the selected facilities to save water without contravening applicable legislations, i.e., Occupational Health & Safety Act, 1993, etc.;
- 3) Supply, install and commission water efficiency interventions or technologies to conserve water including leak detector devices and the facility will be responsible for repairs;
- 4) Supply, install and commission smart water meters as check meters;
- 5) Supply and install the data logger system for real-time data;
- 6) Supply and install water aerators in the bathroom and kitchen taps; waterless urinal system; Leak- Less Valve;
- 7) Supply and install 5000 liters water tank for emergency use; and
- 8) Monitoring of water consumption after implementation of the water efficiency project to indicate the savings realized, illustrated in Rands and kiloliters and report the findings to the Department every month, for the period of six months.

3.2 Rates and Taxes

- 1) Verification of Municipal accounts for rates and taxes if they are correct and if the immovable property is rated in terms of the Municipal Rating Policies.
- 2) Make submissions of reviews to municipalities in terms of section 78 of the MPRA (Municipal Property Rates Act).
- 3) Review Municipal Rates Policies of all municipalities applicable to payment of rates and taxes.
- 4) Provide Project Management for teams responsible for implementation of Valuation review, Municipal Accounts verification and corrections of rates & taxes by local municipalities.
- 5) Provision of technical expertise to review and correct property tariff application under the correct tariff category specified in the Municipal Rates Policy.
- 6) Compile monthly reports on status of the project and matters related thereto.
- 7) Establish the methodology used to determine the property rates and taxes for the different immovable properties prior to investigation.
- 8) Verification of Municipal accounts for rates and taxes if they are valid and if the immovable property should be rated in terms of the Municipal Rating Policies.
- 9) Make submissions of reviews to municipalities in terms of section 78 of the MPRA Act.
- 10) Provision of technical expertise to review and correct property rates to lower the current property rates bill.
- 11) Reporting and client liaison by the Service Provider.
- 12) To ensure that the naming convention system for the Gauteng Provincial Government's Public Works, Roads, and Infrastructure is achieved. This will ensure that 4-way match between GPG Immovable Asset Register, the Deeds Registry, Municipal Valuation Roll, and Municipal Systems Billing Records is achieved.

- 13) To provide property ownership information to departments so that they can update their asset registers; and to be responsible for the payment of property rates and to appropriately budget for them.
- 14) Facilitate meetings with between Client Departments and DID, in instances where there are challenges in this regard.
- 15) Provide qualified and reliable personnel for purposes of offering an efficient service to the Department.

3.3 Main Tasks to be performed by the Service Provider

- 1) Conduct an in-depth investigation on all historical data relating to the water, rates and taxes charged by the Municipality.
- 2) Identify overcharging of water, property rates for the different immovable properties.
- 3) Determination of baseline to provide for savings estimates, develop monthly reports on achieved savings with opportunities and challenges thereto.
- 4) Communicate the finding to the relevant Local Municipality and request for reviews or corrections where necessary as well recover already paid amounts where applicable.
- 5) Provide project management for teams responsible for implementation of Valuation Review, Municipal Accounts verification and corrections of rates and taxes by municipalities.
- 6) Compile monthly reports on status of the project.

3.4 Risks

3.4.1 Water

Unavailability of approved facility design plan will complicate the underground networks tracking; and Inaccessibility of the previous 12 months municipal water bills will affect audits to benchmark the current water consumption make it difficult to recognize the financial savings after project implementation during monitoring phase.

3.4.2 Rates and Taxes

Delays as a result of municipal review outcome may result in delays in payment to service providers in line with the approved MEMO that the Chief Financial Officer which states “Bidders will only be paid when the servings are realised”.

The project might not be completed within the specified timeframes, estimated budget and within envisaged outcome, due to delays within the Municipalities.

The contingency fee agreement may lead to fraudulent transactions between service providers and municipal officials and some accounts may lead to service providers not realizing a serving which will lead to no payment for work completed,

Review the property rates policies from the municipalities and whether they are applied correctly, delays in establishing historic data and therefore actual savings realized.

Properties which are undervalued by Municipalities may be flagged and revalued by Municipalities which can result in higher Municipal Rates.

3.5 The expected Outputs and Outcomes

3.5.1 Outputs

- 1) Water consumption monitoring and/or audit report; Efficient and cost-effective water saving strategies that can be employed to the selected facilities to save water.
- 2) Install leak detector devices, smart water meters, data logger system for real-time data, water consumption in the bathroom and kitchen taps, and provision of Online Monitoring Platform.
- 3) Close out report for the monitoring progress, financial savings and average consumptions.

3.5.2 Outcomes

- 1) Reduced water consumption and water loss through leakages.
- 2) Achieved water efficiencies and raised awareness to educators.
- 3) Significant water bills reduction through applied conservative measures.
- 4) Skills development through training.
- 5) Availability of demonstrated data to be used as benchmark or point of reference for the purpose of upscaling the prototype to other GPG facilities.

3.6 Required Expertise

This section specifically sets out the requirements that must be met by the Service Provider in terms of skills, experience and expertise. These requirements will be key to the selection of Service Provider.

3.6.1 Expertise (Project Plans)

Proposals are expected to specify the following:

- 1) Have expertise in installation of smart water metering, configuration, maintenance and water aerators.
- 2) Data logger and online monitoring platform design.
- 3) Experience in correction of water bills, rates and taxes and issue reports to utilities to query incorrect billing.
- 4) Provide training for reading and analyzing data from the smart meters.

3.7 Time Frame

These Terms of Reference are effective for a period of 36 months:

- 1) Sites/ account allocated assessments: 3 days.
- 2) Preparing comprehensive rates and taxes, water audits for the selected/ identified GPG facilities to benchmark the current water consumption and prepare a baseline consumption report: six (6) days.
- 3) Develop the most efficient and cost-effective water saving strategies that can be employed to the selected facilities to save water without contravening applicable legislations, i.e. Occupational Health & Safety Act, 1993, etc. six (6) days.

- 4) Supply, install and commission water efficiency interventions or technologies to conserve water including leak detector devices: nine (9) days.
- 5) Supply, install and commission smart water meters as check meters: six (6) days.
- 6) Supply and install the data logger system for real-time data: six (6) days.
- 7) Supply and install water aerators in the bathroom and kitchen taps; waterless urinal system; Leak-Less Valve: three (3) days.
- 8) Supply and install 5000 litres water tanks for emergency use in each facility: nine (9) days; and
- 9) Monitoring of water consumption after implementation of the water efficiency project to indicate the savings realised, illustrated in Rands and kilolitres and report the findings to the Department every month, for the period of contract: Monthly report starting from the completion date of the above activities.
- 10) Conduct an in-depth investigation on all historical data relating to the rates and taxes charged by the Municipality.
- 11) Identify overcharging of property rates for the different immovable properties.
- 12) Determination of baseline to provide for savings estimates, develop monthly reports on achieved savings with opportunities and challenges thereto.
- 13) Communicate the findings to the relevant Local Municipality and request for reviews or corrections where necessary as well recover already paid amounts where applicable.
- 14) Provide project management for teams responsible for implementation of Valuation Review, Municipal Accounts verification and corrections of rates and taxes by municipalities.
- 15) Compile monthly reports on status of the project.

3.8 Tender Validity Period

- 1) Tender validity period is 180 calendar days.
- 2) The Department reserves its discretionary right to award a tender.

4. TENDER EVALUATION

The evaluation of the bids will be conducted in line with the Preferential Procurement Regulations of 2022 as issued in terms of section 5 of the Preferential Procurement Policy Framework Act number 5 of 2000 (PPPFA) as follows:

- **Mandatory Compliance Requirements**
- **Other Administrative Requirements**
- **Functionality Evaluation**
- **Preference Points System Evaluation and Specific Goals**

During the Tender Evaluation process, the bidder/s that do not meet the Mandatory Compliance Requirements, and the minimum threshold for the Functionality Evaluation Criteria will be disqualified and will not be considered for inclusion on the Panel.

4.1 Mandatory Compliance Requirements

Bidders must ensure that the following mandatory returnable documents are fully completed, signed, and submitted

Failure to submit/meet or comply with the following requirements constitutes automatic disqualification of tender.
Submission of duly completed and signed invitation to tender (SBD 1)
Submission of duly completed and signed bidders' disclosure (SBD 4)
Compulsory Briefing session Bidders are to attend a Compulsory Site Briefing Session and sign the attendance register.
N.B. Failure to sign attendance Register at the Briefing Session will constitute automatic disqualification. The representative attending the compulsory site briefing may only attend on behalf of one bidding enterprise and/or Joint Venture/Consortium/Trust.
In case of a Joint Venture and/or Consortia, a duly signed agreement by all parties thereto, detailing the percentage (%) split between the parties and portion/s of work to be shared.

4.2 Other Administrative Requirements

The following returnable documents are required for this procurement and must be fully completed and submitted.

Submission of proof of registration with CSD (CSD registration report or MAAA number)
Submission of a Tax Compliance Status PIN that will grant third-party access to the bidder's Tax Compliance Status
Submission of fully completed and signed Preference Points claim form (SBD 6.1)
Certified copy of the identity documents of all owners/shareholders/members/directors/Trustees. Certification as a true copy of the original must not be older than 6 months prior to bid closing.
Company Registration Certificate
Copies of the Founding Statement – CK1 and in the case of a JV documents of each JV member should be submitted.
Certificate of Incorporation – CM1 and in the case of a JV documents of each JV member should be submitted.
B-BBEE Status Level Verification Certificates must be valid and issued by an accredited SANAS Agency.
Sworn Affidavits submitted by bidders in support of their B-BBEE level should comply with the Department of Trade, Industry and Competition (DTIC) format which can be found on the CIPC and / or the DTIC website.

Please Note:

- All parties to a joint venture or consortium should submit all of the above documents.**
- Sworn Affidavits and certification as a “true copy of the original”, must comply with the requirements outlined in the Justices of the Peace and Commissioners of Oaths Act, No 16 of 1963 and its Regulations promulgated in Government Notice GNR 1258 of 21 July 1972 Justices of the Peace and Commissioners of Oaths Act, No. 16 of 1963.**

4.3 Functionality Evaluation

The functionality evaluation will be conducted by the Bid Evaluation Committee which comprises of various skilled and experienced members from diverse professional disciplines. The evaluation process will be based on threshold criteria. The criteria will be as follows - Points allocated for Functionality shall be evaluated in accordance with the criteria as listed below:

Functionality:	
Functionality total weight points:	100
Minimum % that should be achieved to be found responsive:	65

Main Functionality Criteria	Sub-Criteria:	Points Allocation for Sub-Criteria	Maximum Points
COMPANY EXPERIENCE			40 Points
Bidders to demonstrate: 1. A proven capacity and capability on querying of Utility Billing, Rates and Taxes.	Five (5) completion certificates or reference letters relevant to the type of the contract indicating the completion of the project and 5 corresponding appointment letters or purchase orders on client's letter head of similar projects undertaken	40 Points	
2. Company's experience by providing signed reference letters/ completion certificates on client's letterhead with contact references and corresponding appointment letters / purchase orders in utility debt management on water, rates and taxes projects.	Four (4) completion certificates or reference letters relevant to the type of the contract indicating the completion of the project and 4 corresponding appointment letters or purchase orders on client's letter head of similar projects undertaken	32 Points	
	Three (3) completion certificates or reference letters relevant to the type of the contract indicating the completion of the project and 3 corresponding appointment letters or purchase orders on client's letter head of similar projects undertaken	24 Points	
	Two (2) completion certificates or reference letters relevant to the type of the contract indicating the completion of the project and 2 corresponding appointment letters or purchase orders on client's letter head of similar projects undertaken	16 Points	
Please Note: The submission of Completion Certificates or reference letters without corresponding appointment letters or Purchase Orders will not be considered for scoring purposes. Points will be forfeited.	One (1) completion certificate or reference letter relevant to the type of the contract indicating the completion of the project and 1 corresponding appointment letter or purchase order on client's letter head of similar project undertaken	8 Points	
	No completion certificates and corresponding appointment letters on the client's letter head of similar projects undertaken	0 Points	

KEY STAFF (CV)			10 Points
Bidder to: 1. Provide detailed CV's of Key Staff with contactable references. 2. Attach CVs of Key Staff with relevant certified qualifications and professional certifications.	Property Valuer with more than 10 years of rating / property taxation experience registered with South African Council for the Property Valuers Profession as a Professional Valuer.	5 Points	
	Engineer with a Bachelor of Engineering Technology Honors in Water Engineering with more than 10 years' experience registered with the Engineering Council of South Africa (ECSA).	5 Points	
Please Note: • The applicable experience must be post (after) professional registration • (Certification as a true copy of the original must not be older than 6 months).	No qualifications or No experience	0 Points	
METHODOLOGY			50 Points
Bidder's Methodology to illustrate: 1. Clear Path 2. Strategies 3. Demonstration of application of relevant legislation involved in resolving water, rates and taxation queries 4. Timeframes to conclude the project within 36 months	Clear Path	5 Points	
	Strategies	5 Points	
	Application of relevant legislation	10 Points	
	Timeframes on the project plan not exceeding 36 months	5 points	
Utility or Water Billing Investigation and Correction	NB: Bidders to include the demonstration of installing and systems to monitor water consumptions and detect water leaks and procedure to query incorrect billing, if not covered in the methodology bidders to forfeit the points for this sub criteria)	15 Points	
Rates and Taxes	NB: Bidders to include the procedure to query rates and taxes in line with relevant legislations and the application thereof.	10 Points	
MAXIMUM POINTS THAT CAN BE ACHIEVED FOR FUNCTIONALITY EVALUATION			100 Points
MINIMUM POINTS THRESHOLD REQUIRED FOR FURTHER EVALUATION			65 Points

5. ANNEXURE A

GOVERNMENT PROCUREMENT GENERAL CONDITIONS OF CONTRACT

NOTES

The purpose of this document is to:

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

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

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

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General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:
 - 1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2. “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
 - 1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 “Countervailing duties” are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 “Day” means calendar day.
 - 1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.

- 1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.
- 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
- 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
- 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 "GCC" means the General Conditions of Contract.
- 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17 "Local content" means that portion of the bidding price which is

not included in the imported content provided that local manufacture does take place.

- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in Bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.
- 1.23 "SCC" means the Special Conditions of Contract.
- 1.24 "Services" means those functional services ancillaries to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 1.25 "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

2. Application

2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

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

3. General

- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.

3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

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

5. Use of contract documents and information; inspection.

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

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

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

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

6. Patent rights

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

7. Performance security

7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.

7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

- (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
- (b) a cashier's or certified cheque

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

8. Inspections, tests and analyses

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

8.3 and which do not comply with the contract requirements may be rejected.

- 8.7 Any contract supplies may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal, the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.
- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing

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

10. Delivery and documents

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

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

11. Insurance

- 11.1 The goods supplied under the contract shall be fully insured in

a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the SCC.

12. Transportation

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

13. Incidental Services

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

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

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

14. Spare parts

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

- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
- (b) in the event of termination of production of the spare parts:
 - (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and

(ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

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

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

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

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

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. Payment

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

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

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

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

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

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

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

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

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

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

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

- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.
- 21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.
- 21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

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

23. Termination for default

- 23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:
 - (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 212;
 - (b) if the Supplier fails to perform any other obligation(s) under the contract; or
 - (c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

- 23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.
- 23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.
- 23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.
- 23.5 Any restriction imposed on any person by the Accounting Officer /Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.
- 23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
 - (i) the name and address of the supplier and / or person restricted by the purchaser;
 - (ii) the date of commencement of the restriction
 - (iii) the period of restriction; and
 - (iv) the reasons for the restriction.

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

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

24. Anti-dumping and countervailing duties and rights

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

25. Force Majeure

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

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

26. Termination for insolvency

26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without

compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

27. Settlement of Disputes

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

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

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

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

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

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

28. Limitation of Liability

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

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

29. Governing Language	29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
30. Applicable law	30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
31. Notices	<p>31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice</p> <p>31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.</p>
32. Taxes and duties	<p>32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.</p> <p>32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.</p> <p>32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.</p>
33. National Industrial Participation (NIP) Programme	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.

General Conditions of Contract (revised February 2008)