



GAUTENG PROVINCE
INFRASTRUCTURE DEVELOPMENT
REPUBLIC OF SOUTH AFRICA

TENDER NUMBER: RFP08/07/2021

**APPOINTMENT OF A SERVICE
PROVIDER TO ASSIST WITH
UPDATING, MAINTENANCE OF
IMMOVABLE ASSETS REGISTERS AND
OTHER COMPONENTS OF ASSETS
MANAGEMENT LIFE CYCLE
(PROPERTY VALUATION, VESTING &
CONVEYANCING, C-AMP & U-AMP)**

JULY 2021

NAME OF TENDERING ENTITY:

TOTAL PRICE INCLUSIVE OF VATE: R.....



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**PART A
 INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT					
BID NUMBER:	RFP08/07/2021	CLOSING DATE:	24 AUGUST 2021	CLOSING TIME:	11:00AM
DESCRIPTION	APPOINTMENT OF A SERVICE PROVIDER TO ASSIST WITH UPDATING, MAINTENANCE OF IMMOVABLE ASSETS REGISTERS AND OTHER COMPONENTS OF ASSETS MANAGEMENT LIFE CYCLE (PROPERTY VALUATION, VESTING & CONVEYANCING, C-AMP & U-AMP)				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).					

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

Department of Infrastructure Development					
Corner House Building					
Corner Commissioner and Pixley Ka Isaka Seme (Sauer street) (Marshalltown)					
Johannesburg					
The bid box is generally open 24 hours a day, 7 days a week					
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE STATUS/SYSTEM PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	<input type="checkbox"/> Yes	<input type="checkbox"/> No
IF YES, WHO WAS THE CERTIFICATE ISSUED BY?					
AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA) AND NAME THE APPLICABLE IN THE TICK BOX	<input type="checkbox"/>	A SWORN AFFIDAVIT SIGNED BY COMMISSIONER OF OATH			
	<input type="checkbox"/>	A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS)			
		NAME:			



ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ANSWER PART B:3 BELOW]
SIGNATURE OF BIDDER	DATE		
CAPACITY UNDER WHICH THIS BID IS SIGNED (Attach proof of authority to sign this bid; e.g. resolution of directors, etc.)			
TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE (ALL INCLUSIVE)	
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:	
DEPARTMENT/ PUBLIC ENTITY	Infrastructure Development	CONTACT PERSON	Constance Mantsho
CONTACT PERSON	Gugulethu Msomi	TELEPHONE NUMBER	060 983 2716
TELEPHONE NUMBER	011 355 5485	FACSIMILE NUMBER	
E-MAIL ADDRESS	Gugulethu.msomi@gauteng.gov.za	E-MAIL ADDRESS	Constance.Mantsho @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 IN THE MANNER PRESCRIBED IN THIS BID DOCUMENT	
1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.	
1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7)	
2. TAX COMPLIANCE REQUIREMENTS	
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.	
2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.	
2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E- THROUGH THE WEBSITE WWW.SARS.GOV.ZA.	
2.4 BIDDERS MUST PROVIDE A TAX COMPLIANCE STATUS PIN TOGETHER WITH THE BID.	
2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TAX COMPLIANCE STATUS PIN / CSD NUMBER.	
2.6 WHERE NO TAX COMPLIANCE STATUS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.	
2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS OR PERSONS IN THE SERVICE OF THE STATE.	
3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS	
3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.3. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.4. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION	<input type="checkbox"/> YES <input type="checkbox"/> NO
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO 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 / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED

DATE:



INVITATION TO TENDER

Short description of requirements:	APPOINTMENT OF A SERVICE PROVIDER TO ASSIST WITH UPDATING, MAINTENANCE OF IMMOVABLE ASSETS REGISTERS AND OTHER COMPONENTS OF ASSETS MANAGEMENT LIFE CYCLE (PROPERTY VALUATION, VESTING & CONVEYANCING, C-AMP & U-AMP)	
Tender number:	RFP08/07/2021	
Tender documents available from: 26 July 2021	e-Tender Publication Portal (if working) http://e-tenders.gauteng.gov.za	
Price of tender documents:	Bid documents are only available online (e-tender portal) and bidders must download and print at their own cost	
Closing date:	24-Aug-21	
Closing time:	11:00 AM	
Address for submission of tenders:	GDID Tender Box, Ground Floor, Department of Infrastructure Development Corner House Building, Corner Commissioner and Pixley Ka Isaka Seme Street (Sauer Street) Marshalltown Johannesburg	
Evaluation Steps	1) Mandatory 2) Other Administration requirements 3) Functionality 4) Price and Preferences points system	
Non-Compulsory pre-bid meeting/site meeting (bidders must complete their company details when joining the meeting)	Details of the non-compulsory pre-bid meeting/site meeting is indicated below.	
	Meeting address: https://teams.microsoft.com/join/003f7489-c006-4532-90f3-d1eadc0d1af?icDRrw_owA9f9dWkkYaanthLDDGQ_5EXsb7FRKG-BdcYbUjVA_PStFvdBlakEKWhRvuywLGA_F7aro4lgwEmPZgR_VplF4g_lMxLln3Jl0au6kDqIGPaYq7mode=read&tenantid=003f7489-c006-4532-90f3-d1eadc0d1af	
	Date of meeting:	2-Aug-21
	Time of meeting:	10:00am
MANDATORY / COMPULSORY ADMINISTRATIVE REQUIREMENTS (bidders must complete their company details when joining the meeting)	Submission of the proof of account with the Deed office	
	Submission of duly completed and signed SBD forms (SBD 1, SBD 3.1, SBD 4, SBD 6.1, SBD 8 and SBD 9)	
	In line with the Preferential Procurement Regulation 9 of 2017, Tenderers must sub-contract a minimum of 30% of the contract value to the targeted groups (Bidders must submit a proof of sub-contracting arrangement/s and B-BBEE certificate/s or appropriate affidavit/s for sub-contractors). The bidders must select sub-contractor/s from the list attached in the tender document NB! Bidders are required to submit a subcontracting agreement, signed by all parties concerned indicating the subcontracting percentage (%) / subcontracting amount of all participating subcontractors.	
	Targeted Groups are: (The bidder must subcontract to one or more of the following categories and should ensure that at least 30% of the contract value is subcontracted) •EME's or QSE's which is at least 51% owned by black people who are Youth or, (bidders must attach Identity Document for subcontractor) •An EME or QSE •An EME or QSE which is at least 51% owned by black people •EME's or QSE's which is at least 51% owned by black people who are Woman or, (bidders must attach Identity Document for subcontractor) •EME's or QSE's which is at least 51% owned by black people with Disabilities or, (bidders must submit proof from a medical practitioner for subcontractor if disabled) •EME's or QSE's which is at least 51% owned by black people Living in Rural or Underdeveloped Areas or Townships or, (proof of residence for subcontractor) •EME's or QSE's which is and at least 51% owned by black people who are Military Veterans. (force number or a confirmation letter from the Military veteran's department for subcontractor)	
	Submission of signed JV agreement or consortia agreement in case of Joint Venture/ Consortium that must stipulate the percentage revenue split between the parties	

Other Administrative Requirements

Proof of Registration with CSD (the CSD report will include the supplier number commencing with MAAA). CSD registration report for each main bidder, partner in the trust, consortium or joint venture to be submitted. Only suppliers who are registered on the National Centralised Supplier Database (CSD) will be considered for appointment
Submission of proof of registration with CSD (CSD registration report Or MAAA number)
Submission of a Tax Compliance Status PIN that will grant a third-party access to the bidder's Tax Compliance Status. (A trust, consortium or joint venture must submit a Tax Compliance Status Pin of each partner in the trust, consortium or joint venture)
Registration Documents of the business with the Companies and Intellectual Property Commission (CIPC) OR Master of the High Court in South Africa
Certified copies of Identity documents for all members / directors / shareholders or owner/s to be submitted

Functionality requirements: (Failure to meet the prescribed minimum points will lead to automatically disqualification)	APPLICABLE FUNCTIONALITY	
	FUNCTIONALITY TOTAL WEIGHT POINTS:	100 POINTS
	OVERALL MINIMUM FUNCTIONALITY SCORE:	70 POINTS
	Bidders must obtain a minimum of 70 points to be considered for further evaluation (price and preference)	
	Total Functionality: 100 points.	
	Functionality Criteria	Weighting Factor
Company Experience	40 Points	
Qualification and experience of key personnel staff	40 Points	
Project plan	20 Points	

Applicable PPPFA point system	90/10
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Enquiries technical:	Constance Mantsho constance.mantsho@gauteng.gov.za
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Enquiries general:	Siya Khumalo / Gugulethu Msomi siya.khumalo@gauteng.gov.za or gugulethu.msomi@gauteng.gov.za
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Note to tenderers:
This tender is subject to the General Conditions and Special Conditions of Contract the Preferential Procurement Policy Framework Act no 5 of 2000 and its Regulations of 2017.



GAUTENG PROVINCE

INFRASTRUCTURE DEVELOPMENT
REPUBLIC OF SOUTH AFRICA

TERMS OF REFERENCE FOR APPOINTMENT OF A SERVICE PROVIDER TO ASSIST WITH UPDATING, MAINTAINANCE OF IMMOVABLE ASSETS REGISTER AND OTHER COMPONENTS OF ASSETS MANAGEMENT LIFE CYCLE (VESTING AND CONVEYANCING, PROPERTY VALUATIONS AND USER/CUSTODIAN MANAGEMENT PLANS)

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2. TERMS AND DEFINITIONS

The following abbreviations are used in the Terms of Reference:

Terms	Definition
DID	Department of Infrastructure Development and Property Management
GIAMA	Government Immovable Assets Management Act of 2007
SACPVP	South African Council for The Property Valuers Profession
IAR	Immovable Asset Register
LAW	Land Administration Web - NDRDLR System-Vesting application Tracking Tool
LPI	Land Parcel Identifier
NDRDLR	National Department of Rural Development and Land Reform
MVR	Municipal Valuation Roll
NT	National Treasury
PFMA	Public Finance Management Act
POE	Portfolio of Evidence
SDF	State Domestic Facility
SG	Surveyor General
U-AMP	User Asset Management Plans
C-AMP	Custodian Asset Management Plans

3. PURPOSE

The Gauteng Department of Infrastructure Development ("DID") intends to appoint a service provider (A Bidder or Consortium or Joint Venture to provide the services of property vesting and conveyancing, property valuation and User/Custodian Management Plans) for maintenance of the life cycle of Immovable Asset Register by conducting vesting and conveyancing, property valuation and User/Custodian Management Plans. The project objectives/aims will lead to compliance and completeness of the GPG assets register which leads to good property portfolio management, maintenance of immovable assets including correct budgeting for the asset's maintenance and other expenses.

4. BACKGROUND

The Immovable Asset Register of the Gauteng Provincial Government (GPG IAR) has historically always been, and still is, a portfolio of high public interest which regularly features at the Provincial Legislature, Scopa, the Auditor-General (AGSA), the Media and the Public. A Provincial Immovable Asset Register of the highest possible standard, of correctness of ownership information and an updated status is of crucial importance for managing this high public profile portfolio of the Gauteng Province.

- a. Conveyancing is professional services which can only be carried out by a Professional Conveyancer. Immovable Asset Management does not have the capacity to undertake the functions of a Conveyancer, hence the need to appoint the external Professional Conveyancer.
- b. The cost of an asset is defined as the total cost of acquisition. In cases where the cost could not be determined accurately, the immovable capital asset was stated at R1 unless the Fair Value has been reliably estimated. However, the majority of carrying values (Historical Cost) in the Immovable Asset Register (IAR) and Annual Financial Statements (AFS) are not reliable and can no longer be traced to supporting documentation or valuation methods (legacy premise immovable asset register), given the state of accounting records and lack of audit trail.
- c. The purpose of the U-AMP and C-AMP is to ensure that immovable assets are efficiently and effectively managed throughout the various stages of their lifecycle, namely, planning, acquisition, maintenance operations and disposal.

Improvements in the management of Government's immovable assets is required to ensure that such assets are optimally utilised for service delivery. This must be achieved by the systematic, integrated, and appropriate management of all decision-making processes throughout the life cycle of an immovable asset. Immovable asset management is therefore a key element in enabling better service delivery.

The Custodian plays a role of a "caretaker" of immovable assets. The Custodian also ensures that immovable assets function in a manner that supports efficient and effective service delivery to be responsible for all activities that are associated with common law ownership of properties.

The C-AMP is a strategic tool to guide actions to achieve optimal use of immovable assets for service delivery. The following strategies have been identified to institutionalize and operationalize the C-AMP:

5. SCOPE OF WORK

5.1 PROPERTY VESTING AND CONVEYANCING

The number of properties which still require various methods of ownership rectification to GPG are 4089 The categories of the assets are outlined below:

Property Status	Number
GPG vested in terms of item 28 (1) certificates and Former Model C Schools where title deeds have not been endorsed	1355
Deemed GPG and still registered in the historical Government names such as RSA, TPA, ETC	1299
Contingent assets which need competency proof to vest as GPG	109
Future assets which are registered in the ownership of other owners, but has GPG facilities on them	1231
Surveyed but not registered by Deeds office	15
Higher Education currently used by Further Education Training Colleges	80
TOTAL	4089

Processes required for ownership rectification to Gauteng Provincial Government

- The 1355 properties are already vested to GPG in terms of item 28(1) certificates and Former Model Schools as per Section 55 of the South African School's Act no. 84 of 1996. Title deeds endorsements should be processed to transfer ownership to GPG.
- The 1299 deemed GPG properties have not been vested to the Province in terms of Section 239 of the Constitution of the Republic of South Africa, read with schedule 6 item 28(1), of the Constitution of 1996.
- The 109 contingent properties also require vesting vested to GPG in terms of item 28(1) certificates and Former Model Schools as per Section 55 of the South African School's Act no. 84 of 1996.
- The deemed and contingent properties require vesting process by the Provincial State Land, Vesting and Disposal Committee to vest the properties to GPG.

The process by the vesting committee involves:

- Collection of historical ownership data and other vesting supporting information.
- Preparation of vesting submissions for presentation to the committee.
- Presentation and approval by the vesting committee.
- Uploading of information on Land Administration Website for processing by the Department of Rural Development and Land Reform.
- Issuance of item 28(1) certificates by the Department of Rural Development and Land Reform.
- Collection of the original item 28(1) certificates by DID

- Submission of the original item 28(1) certificates to the Conveyancer for title deeds endorsement.

The 1231 future properties owned by Municipalities and other Private owners other than historical government owners, should follow the following process:

- Negotiations with other owners for transfer to GPG.
- Drafting of transfer agreements by DID and other owners
- Deeds office transfer processes by Conveyancers.
- The 15 Surveyed properties but not registered by Deeds office will follow the Deeds office transfer processes by Conveyancers.
- The 80 Higher Education properties will be endorsed in terms of the Further Education and Training (FET) Act no. 16 of 2006. Deeds office transfer processes by Conveyancers will be undertaken.

Deeds-Office Conveyancing Procedures:

Registration at the Deeds-Office refers to the day when the conveyancer in person (physically) “executes the Deed” at the Execution-Room in the presence of the Registrar of Deeds.

The Deeds-Office practice of registration entails that after date of ‘Registration’, several Deeds-Office processes must still take place, and those processes are as per the Table reflected below.

The average timeframe for finalizing the range of Deeds-Office procedures set out as per the Table below, is ± 6 months.

DEEDS-OFFICE PROCEDURES		
1.	Lodgment at Deeds-Office / Actual Registration	date when the conveyancer “executes deeds” at the deed’s office in the presence of Registrar
2.	Numbering of deeds	the deeds are assigned individual title deed numbers by the deed’s office
3.	Data capturing	the information contained in title deeds is captured on the deeds office system
4.	Final check	division at deeds office that checks whether information has been captured correctly
5.	Follow-up enquiries from deeds office	deeds office requesting additional information/ data that they deem necessary for handling the case

6.	Re-submission of further requested info, to deeds office	conveyance party locating such further requested info / data and submitting such to the deed's office
7.	Microfilming	deeds are copied and scanned into microfilming system of the deeds office
8.	Scanning out of deeds	deeds are scanned out of deeds office for delivery to the conveyancer
9.	Delivery	deeds are forwarded to the conveyancer for onward transmission to client

The categories which need to be prioritised for vesting and conveyancing are as follow:

- The 625 properties from the 1355 already vested to GPG in terms of item 28(1) certificates and Former Model Schools as per Section 55 of the South African School's Act no. 84 of 1996. Title deeds endorsements should be processed to transfer ownership to GPG.
- The 341 from the 1299 deemed GPG properties which have not been vested to the Province in terms of Section 239 of the Constitution of the Republic of South Africa, read with schedule 6 item 28(1), of the Constitution of 1996.
- The 15 Surveyed but not registered by Deeds office properties will follow the Deeds office transfer process by Conveyancers.
- The 80 Higher Education properties will be endorsed in terms of the Further Education and Training (FET) Act no. 16 of 2006. Deeds office transfer process by Conveyancers will be undertaken.

5.2 PROPERTY VALUATIONS

The primary objective of this project is to undertake immovable property valuations on the IAR behalf of GDID for various purposes and to including the following documents as part of the submission of the Valuation Reports. The valuer is expected to cover all the items listed in below in the report.

The immovable properties to be valued are situated in five corridors of the Gauteng Province, the table below indicates number of properties per corridor:

Table 3.A Corridors,

No.	CORRIDOR	NUMBER OF PROPERTIES
1	Central Corridor (City of Johannesburg)	3100
2	Eastern Corridor (City of Ekurhuleni)	1618
3	Northern Corridor (City of Tshwane)	1887

No.	CORRIDOR	NUMBER OF PROPERTIES
4	Southern Corridor (Emfuleni Local Municipality, Lesedi Local Municipality & Midvale Local Municipality)	1109
5	Western Corridor (Merafong City Local Municipality, Mogale City Local Municipality, Randfontein Local Municipality & Westonaria Local Municipality)	565
Total		8279

Title Deed Information and other relevant information

- Title deed (Number, date registered and office of registration)
- Full description of property(s) as per Title Deed.
- Registered owner(s) from the first registration date of the subject property.
- Extent of property
- Date of acquisition by current owner
- Purchase price (any subsequent changes)
- Current Mortgage Bonds
- All relevant title conditions (including servitudes, endorsement, and caveats)
- Existing lease agreements or other registered land rights
- Mineral rights (if applicable)
- Any unregistered rights and how it impacts on value
- The confirmation of water use entitlement from the Department of Water and Sanitation.
- The valuer must indicate if the farm is operating as single unit.
- Surveyor-General's diagram of properties.

Certificate of Value

- Assumption and limiting conditions
- Certificate of Value
- Sign the valuation report and the Certificate as follows; his/ her name and surname, signature, registration number and registration category of the SACPVP.

Physical description of the property

- Situation/Location
- Nature of surrounding neighborhood/ area
- Distances from important points e.g. Airports
- Availability of services and amenities
- Historical background, if applicable

- Features of property, including topography, soil types, shape, etc.
- Climatic conditions and water supply, if applicable
- Buildings and other improvements-herewith a detailed discussion of improvements is necessary, including Gross Building Areas, age, and condition.

Establishment of comparable sales:

The valuer should indicate comparable factors and comparable properties:

- Indicate the scope of the deeds search in terms of radius and time frame of sales
- Include a list of all comparable sales and not only selected sales with which subject property has been compared
- Comparable properties, explain why certain sales were excluded from further analysis
- Indicate how market data were interpreted, adjusted, and applied
- Comparable price per hectare for different kinds of land use
- Detailed discussion on the following:
 - Full names, period of service, number of households of labourers / tenants
 - Whether there are illegal occupants or not.
 - Market identification of property - potential and highest and best use
 - Market conditions

NOTE: All sales of properties acquired by the State must be excluded for comparative purposes; provided further that in the event of insufficient sales, such transactions involving acquisition of properties by the State may be considered on condition that it is clearly indicated as such.

Application of comparable sales:

- Explain Method of valuation and applicability
- Motivation including all calculations showing how comparable sales have been adjusted and applied.
- Value conclusion and Certificate of Value.

The Certificate of Value (or Valuers Certificate, Valuation Certificate, etc.) is a statement to the effect that the valuer has reached his or her conclusion on the basis of considering all relevant factors, subject to stated assumptions and limiting conditions, and without prejudice due to any present or contemplated interest in the properties or the outcome of the valuations

A Professional Services Provider is required to: Conduct Property Valuations for Gauteng Provincial Government Asset Register. The IAR portfolio value has been populated using Municipal Valuations Rolls (**MVR**) and Fair Value Model.

This does not reflect the true value of the portfolio as it is conducted in line with Municipal Property Rates Act which its objective is to charge rates and taxes on immovable assets. It is therefore necessary to conduct Market Related Values to address the following:

- Rental Determination on leased properties
- Portfolio of evidence such as Zoning Information, SG Diagrams etc.
- Valuations to be used for lodging of objections and appeals on municipal valuation rolls
- Acquisition or Disposals of immovable assets
- Annual Financial Statements
- Generally, Recognized Accounting Practice for future compliance
- Properties which currently need to be valued:
- Number of properties = 8279 (incl of 1265 Future, Deemed & Vested)
- Profiling and Valuations Report of all properties to be valued = 8279.

As part of condition of bidding: -

It is required that Bidders indicate which corridor they are bidding for as per the corridor Table 3.A Corridors on item 3. "Background", it is also advised that Bidders who are involved in the Valuation Rolls work within the municipalities in those corridors will not be considered for Bids within those municipalities.

5.3 USER/CUSTODIAN MANAGEMENT PLANS

5.3.1 User Immovable Asset Management Plan (14 – User departments - U-AMP's)

This must be drafted in compliance with the GIAMA and other guidelines published by National Department of Public Works. The successful service provider will be expected to do the following functions:

Contents of a U-AMP

To achieve the objectives of GIAMA, a U-AMP should consist of at least the following sections:

Section 1: An introduction that summarizes the overall strategic intent of the User regarding its existing and long-term immovable asset requirements. The User must set objectives to improve the efficient and effective utilization of the existing immovable assets and how it is going to measure itself to achieve such objectives.

Section 2: Service delivery objectives and immovable asset requirements as expressed in the User's annual strategic plan and must be underpinned by budget programme objectives.

Section 3: Acquisition plan must contain a summary of current and proposed acquisitions, as informed by the impact of service delivery objectives.

Section 4: Refurbishment plan must contain a summary of current and proposed refurbishments and reconfiguration of existing immovable assets, as informed by the impact of service delivery objectives.

Section 5: Repairs required to reinstate immovable assets to their original state.

Section 6: Surplus immovable assets that no longer support the service delivery objectives of the User and must be surrendered to the Custodian.

Section 7: Budget requirements to fund immovable asset needs of the User.

Section 8: Plan Improvement and monitoring

Each section must describe the immovable asset requirements and plans of a User in terms of the principles of immovable asset management (see paragraph 5) and must be supported by attachments (see part 4).

Section 1: Introduction

The introduction of a U-AMP must summarize the overall strategic intent of the User regarding its existing and long-term immovable asset requirements. The User must set objectives to improve the efficient and effective utilization of the immovable assets assigned to it and how it is going to measure itself to achieve such objectives, by addressing:

- (a) Improvement strategies.
- (b) Improvement objectives and targets.
- (c) Performance measures and utilization benchmarks.

Section 2: Immovable asset requirements

In this section a User should determine how immovable assets will support the achievement of service delivery objectives. When determining its immovable asset requirements, the User must consider:

- (a) legislation that may impact on service delivery.
- (b) approved and funded programme objectives.
- (c) functional requirements for service delivery.
- (d) required level of service; and
- (e) applicable immovable asset norms.

Where a norm for an immovable asset class (published under GIAMA) is not available, such a norm should be determined by using, in the following order:

- (a) an applicable South African National Standard.
- (b) international standard.
- (c) prescripts by the supplier (in the case of specialized equipment); or
- (d) a rational argument or design to satisfy immovable asset requirements.

A User must demonstrate that immovable asset requirements are funded and ensure that existing immovable assets are matched to service delivery objectives. If the User's requirements are not met by existing assets, it should:

- (a) assess the level to which existing immovable assets meets the functional requirements.
- (b) determine the gap between existing and required immovable assets; and
- (c) propose solutions to address the demand for additional immovable assets through more efficient and effective utilization of existing assets.

Section 3: Acquisition plan

The acquisition plan must consist of a summary of current and proposed acquisitions, as informed by asset requirements. For a User, acquisitions don't necessarily imply newly constructed, purchased, or leased immovable assets, but may also imply that the Custodian may make available existing immovable assets to the User.

A User must differentiate those acquisitions where the Custodian has completed an options analysis from those acquisitions that were identified in the current planning cycle. Where available, the options analysis and cost benefit analysis must be attached to the U-AMP as an attachment.

Section 4: Refurbishment plan

The refurbishment plan must consist of a summary of current and proposed refurbishments, reconfigurations, and upgrades of immovable assets, as informed by the impact of service delivery objectives (as determined in section 2 of the U-AMP).

From time to time it becomes necessary to improve the operation of an immovable asset to extend its lifecycle or to adapt or reconfigure the asset to meet new service delivery objectives for the same User. Such improvement is generally referred to as refurbishment. The refurbishment of an immovable asset may thus originate from two sources:

- (a) From the Custodian, based on the need to extend the lifecycle of the asset or improve its condition.
- (b) From the User, based on the need to improve the functional performance and utilization of the asset.

Where an immovable asset has been in use for its determined life between refurbishments, the Custodian must budget for the refurbishment of the asset. The U-AMP must however contain this information since it will influence the ability of the User to use the immovable asset during refurbishment.

Where an immovable asset has only been used for a part of its lifecycle and a User requires refurbishment and reconfiguration, a Custodian may require a User to contribute to the refurbishment of the asset. A User needs to budget for such a contribution.

Section 5: Repairs

Repairs, emanating from a breakage/failure, are required to reinstate an immovable asset to its original state. Where an asset is damaged accidentally or maliciously by a User, the User must budget for the required repairs to the asset.

Repairs may be identified from the regular condition assessments a Custodian conducts on the immovable asset, or by the User. The U-AMP should only include the required repairs to reinstate the asset. Maintenance must be aimed at preserving the condition of the State's immovable assets to the extent that they will continue to support the current service delivery objectives and strategies of a User and to comply with legislation (e.g. Occupational Health & Safety Act, National Building Regulations etc.). The custodian of an immovable asset needs to plan for maintenance as part of the custodian immovable asset management plan.

A User should not affect any repairs to an immovable asset without due consultation and agreement with the Custodian.

Section 6: Surplus immovable assets

Immovable assets that no longer support the service delivery objectives of the User and that will be surrendered to the Custodian for alternative use or disposal must be identified in this section. The User must clearly indicate the date on which the asset will be vacated, subject to obligations in terms of existing contracts. Users will remain responsible for any financial obligations in terms of existing contracts and must therefore budget for such obligations.

Section 7: Budget and funding of accommodation

A summary of all budgetary requirements over two MTEFs is prepared as a formal request for funding from the relevant treasury Budgets are derived and consolidated because of the completion of the various processes for preparing the U-AMP.

Capital budget requirements

Users should apply to the relevant Treasury for capital budgets to fund the construction or purchase of immovable assets only for those acquisitions where the options and the cost benefit analyses have been completed. The planned acquisitions must be aligned to the User's capital budget over the Medium-Term Expenditure Framework (MTEF) cycle, as well as to the User's funding requirements, as expressed in its annual submission to the Medium-Term Expenditure Committee (MTEC).

Current/operational budget requirements

Users should budget for current expenditure for all new immovable asset leases and long-term leases such as Public Private Partnerships.

Section 8: Plan Improvement and monitoring

The purpose of this section is for Users to identify:

- (a) Improvements in the way that the User compiles a U-AMP.
- (b) Improvements that the User identified in support received from the Custodian during the compilation of the U-AMP.

- (c) Improvements to the U-AMP guidelines and format resulting from recommendations from Users and Custodians to the National Department of Public Works

The above processes will enable annual improvements in the U-AMP guidelines as well as in support received from Custodians that will enable improvements in the quality of U-AMP developed.

5.3.2. Process for Preparing a U-AMP

Introduction

During the preparation of a U-AMP, a User must conduct the following processes:

- (a) **Process 1:** Match asset requirements with service delivery objectives.
- (b) **Process 2:** Verify assets occupied by or allocated to the User.
- (c) **Process 3:** Determine functional performance of assets.
- (d) **Process 4:** Determine utilization of assets.
- (e) **Process 5:** Conduct a GAP analysis.
- (f) **Process 6:** Determine new immovable asset requirements.
- (g) **Process 7:** Determine the need for refurbishments or reconfiguration of existing assets.
- (h) **Process 8:** Determine surplus assets to be surrendered.
- (i) **Process 9:** Determine repairs that need to be conducted.
- (j) **Process 10:** Prepare an immovable asset budget

Process 1: Match immovable asset requirements with service delivery objectives

Matching asset requirements with service delivery objectives is a key component of the asset planning process and forms part of the process of developing service delivery plans and strategies. A fundamental component of the development of strategic plans is to rationalize demand against available resources while maintaining the required service levels. Typical required levels of service could be found in the "Guidelines for Human Settlement Planning and Design" available from CSIR. The User should consult with the Custodian on the economic feasibility of the level of service proposed.

To achieve this, it is essential that senior managers responsible for the coordination of immovable assets actively participate in all phases of service delivery planning. The integration of managers responsible for immovable assets into the strategic planning process maintains focus on service delivery.

The U-AMP must contain a narrative summary and a schedule per budget programme objective must be provided in Annexure A of the U-AMP. Template 1 could be used to state the asset requirements in terms of service delivery objectives.

The assets required to fulfil strategic service delivery objectives must be expressed in terms of the User's budget programme objectives approved by the relevant Treasury. It is particularly important to highlight any substantial increases in a budget programme objective since this is likely to result in revising asset requirements. Users must indicate

whether an increase in an approved budget programme objective is likely to take place in the current or next MTEF cycle. The User must list and prioritize the needs considering the expenditure to meet such needs.

Process 2: Verify the assets occupied or allocated to User

The relevant Custodian should provide the User with a current schedule of assets allocated to the User. The User should verify this information and update the Schedule of Allocated Immovable Assets. Template 2 could be used for this purpose.

The Custodian should also provide the User with current and planned maintenance, renovation, and refurbishment activities (as per lifecycle plan) for such assets. Should the User believe a specific renovation or refurbishment is not required or will interfere with its service delivery it should be indicated.

Process 3: Determine functional performance of assets

Functional performance refers to the level to which the assets allocated to the User meet their needs, considering the suitability and flexibility of the assets. The following sub-processes must be conducted to determine the functional performance:

- (a) Identification of the required performance standard: This requires the identification of the minimum performance standards required per asset type. The required performance standard will set the benchmark for evaluating the immovable asset's suitability and operating performance in supporting service delivery objectives.
- (b) Rating the accessibility of the immovable asset: The accessibility rating focuses on the accessibility for the public (if required); public transport routes; parking and other public areas; as well as accessibility for the physically challenged.
- (c) The required performance standard and accessibility rating is utilized to determine the suitability index of assets in supporting service delivery objectives.
- (d) A rating is allocated for the condition of the building, measured against the required performance standard, to determine the operating performance of the building.
- (e) The allocated suitability and operating performance index are utilized to assess the functional performance rating.

The assessment of the functional performance rating will therefore determine:

- (a) the suitability of assets to support service delivery objectives; and
- (b) the operating performance of assets in relation to its function.

The assessment of the functional performance of assets could be determined using Template 3 and should be included as Annexure C of the U-AMP.

Process 4: Determine utilization of assets

The User should assess the utilization of assets against the applicable asset norms.

The User should consult with the Custodian on space planning for potential improvement in utilization of assets and should identify areas where the utilization of assets is not within the

applicable asset norms. In specific circumstances, adapting existing assets to meet the requirements of the applicable asset norms would not be cost effective (e.g. heritage assets). In such circumstances, deviations from the applicable asset norms must be supported by a rational design.

The User, in consultation with the Custodian, should conduct a utilization improvement plan.

Process 5: Conduct GAP analysis

The User must conduct a gap analysis to determine the gap between its optimal immovable assets and existing asset requirements by comparing:

- (a) existing assets combined with its functional performance rating and utilization rating; to
 - (b) optimal asset requirements.
1. The User, in consultation with the Custodian, should consider immovable asset options available to them, to close the gap and state the options that were considered. Template 6 and 7 could be used to determine the gap and should be included as Annexure F of the U-AMP.
 2. When considering the options, the User should, as a first consideration, determine whether the utilization of existing assets cannot be improved. Any potential improvements should be identified. The User should consider the functional performance rating to determine appropriate actions. Any asset with a functional performance rating of:
 - (a) "A" should be considered for reconfiguration.
 - (b) "B" should be considered for refurbishment.
 - (c) "C" should be considered for surrender to the Custodian.

Process 6: Determine new immovable asset requirements

A new asset requirement is determined when the all the User's asset requirements cannot be met by its allocated assets (provided that the User has assessed the utilization of allocated assets) or where the functional performance rating is "C".

Asset requirements that cannot be met through allocated assets, receives the highest priority.

Where the functional performance rating is "C", the User must prioritize new asset requirements based on functional performance and utilization. The User's total asset requirements must first be ranked according to its functional performance rating (where C3 receives the highest priority and C1 the lowest²). Thereafter it is ranked according to condition rating (where the lowest condition receives the highest priority³).

The User must request the Custodian to analyze each asset option to determine:

- (a) the possibility of User allocating alternative assets that meets a higher functional performance standard; and
- (b) the cost of new assets to meet that required performance standard.

The User must also determine whether non-asset solutions could be considered.

The User and the Custodian should agree on an implementation programme to secure new assets as part of the budgeting process. The User should request funds from the relevant Treasury for new assets. The User and the Custodian must adjust such programme following the allocation of funds by the relevant Treasury.

The User should consolidate new asset requirements resulting from the gap analysis.

Process 7: Determine need for refurbishment or reconfiguration of existing assets

Priorities for refurbishment are determined based on functional performance and utilization. The User's existing assets must first be ranked according to the functional performance rating, with a rating of B3 receiving the highest priority and a rating of B1 the lowest. Thereafter, it is ranked according to utilization, with the lowest utilization receiving the highest priority.

The User should request the Custodian to analyze each asset option to determine:

- (a) the possibility of User allocating alternative assets that meet a higher functional performance standard; and
- (b) the total cost to refurbish the asset to meet that required performance standard and improve the utilization.

The User and the Custodian should agree on an implementation programme to refurbish assets as part of the budgeting process. For example, this implementation programme should include the movement of personnel to temporary accommodation during the refurbishment, should it be required.

The User must request funds from the relevant Treasury for refurbishment. The User and the Custodian must adjust such programme following the allocation of funds by the relevant Treasury. Template 9 should be utilized to consolidate refurbishment and reconfiguration requirements resulting from the gap analysis and should be included as Annexure H.

Process 8: Determine surplus assets to be surrendered

Assets conforming to the following criteria should be earmarked for surrender to the Custodian:

- (a) assets with a performance standard of P1; and
- (b) assets with a functional performance rating of C; or
- (c) where the Custodian has determined that the asset must be disposed of.

An appropriate date to surrender the asset must be agreed upon with the Custodian. A User must give the Custodian at least six (6) months' notice that it intends to surrender an

asset. Template 10 could be used for assets to be surrendered to the Custodian and should be included as Annexure I of the U-AMP.

Process 9: Determine repairs that need to be conducted

Where an asset is damaged, the User must request the Custodian to estimate the cost of reinstating the asset to the condition before the damage occurred. The User must request funds from the relevant Treasury to repair such an asset. The User should not consolidate repair requirements.

Process 10: Prepare an immovable asset budget

1. After completion of processes 1 to 9 taking cognizance of the cost inputs from the Custodian, budgets must be compiled in accordance with the MTEF requirements. Users are to utilize the relevant budget template as prescribed by National Treasury.

Immovable asset lifecycles however may be more than sixty years, therefore spanning many MTEF cycles. Integrating immovable asset planning into the strategic planning processes using an immovable asset lifecycle approach presents a challenge. It is therefore important to incorporate all lifecycle costs into a longer planning cycle that will span several MTEF cycles.

2. Budget information is obtained from the following processes:
 - (a) Process 6: Determine new immovable asset requirements
 - (b) Process 7: Determine the need for refurbishments or reconfiguration of existing immovable assets
3. Process 6 provides information on capital budgets required for the acquisition of additional immovable assets. These projected budgets should be scheduled over the MTEF in accordance with the allocated priorities. Process 7 provides information on budget requirements for refurbishments or reconfigurations. These budgetary requirements should also be scheduled over the MTEF in accordance with allocated priorities.

These budget requirements should be captured in templates for submitting new and existing capital budget bids as provided by National Treasury.

5.3.3 Templates for Preparing a U-AMP

The following templates are provided to assist Users with the preparation of a U-AMP.

- (a) **Template 1:** Schedule of asset requirements per budget programme objective (Annexure A-1 of U-AMP)
- (b) **Template 1a:** Schedule of asset requirements per budget programme objectives over the MTEF (Annexure A-2 of the U-AMP)
- (c) **Template 2:** Schedule of assets currently occupied by or allocated to the User (Annexure B-1 of U-AMP)

- (d) **Template 2a:** Schedule of maintenance, refurbishments, and renovation activities (Annexure B-2) of U-AMP)
- (e) **Template 3:** Schedule of functional performance per asset (Annexure C of U-AMP)
- (f) **Template 4:** Schedule of current utilization (Annexure D-1 of U-AMP)
- (g) **Template 5:** Utilization Improvement Plan (Annexure D-2 of U-AMP)
- (h) **Template 6:** Gap Analysis (Annexure E of U-AMP)
- (i) **Template 7:** Asset Plan (Annexure F of U-AMP)
- (j) **Template 8:** New Asset Requirements (Annexure G of U-AMP)
- (k) **Template 9:** Refurbishment or Reconfiguration Requirements (Annexure H of U-AMP)
- (l) **Template 10:** Assets Identified for surrender (Annexure I of U-AMP)
- (m) **Template 11:** Repair Requirements (Annexure J of U-AMP)

5.3.4 Examples of Norms and Standards

The following examples of norms and standards could guide the User when preparing a UAMP:

Methodology for determining functional performance of assets

A critical aspect of a U-AMP is the assessment of the functional performance of an immovable asset. Functional performance is the measure which a User should apply to determine the extent to which an asset meets the asset requirements and thereby the service delivery objectives that such an asset supports. The paragraphs below describe a methodology that could be applied for accommodation. User may have to develop similar methodologies for other categories of assets where this functional performance methodology would not be applicable.

Required Performance Standard

The application of a performance assessment requires the determination of a required (or ideal) performance standard. This required performance standard is the standard expected of the accommodation and will provide the baseline against which it should be measured. The required performance standard should be a strategic decision that will affect the management of immovable assets throughout their lifecycle.

Accessibility Rating

The accessibility rating provides an indication of the asset's physical location in relation to the service delivery objectives. This includes the accessibility of the accommodation for the public, or members that must conduct their business at the asset. The allocation of the accessibility rating must take into consideration what is expected of the asset. E.g. A facility that does not require public access, should not be marked down on accessibility should it not provide for public access.

Suitability Index

The required performance standard allocated as well as the accessibility rating allocated is used as cross references to determine the suitability index of the asset.

User Condition Rating

The condition rating is utilised to give a brief indication of the physical condition of the asset (It should be noted that this is not a full condition assessment).

Operating Performance Index

The operating performance is determined by a cross reference between the required performance standard and the condition rating.

Functional Performance Index

The functional performance rating is determined by utilising the suitability index as well as the operating performance index that was determined in the previous steps.

5.3.5 Custodian Asset Management Plan (1 GPG C-AMP)

This must draft in compliance with the GIAMA and other guidelines published by National Department of Public works (Refer to Annexure A-for detailed scope)

Contents of a C-AMP

The purpose of a Custodian Asset Management Plan (C-AMP) is to:

- (a) review the lifecycle requirements of all immovable assets in a Custodian's immovable asset portfolio on a regular basis.
 - (b) respond to the needs of Users as reflected in their U-AMPs; and
 - (c) plan for the implementation of activities that will maximise the service delivery potential of the portfolio over its lifecycle.
1. When preparing a C-AMP, the Custodian must:
 - (a) thoroughly examine the need for immovable assets as stated by the User.
 - (b) consider the use of state-owned (all spheres of government) and privately-owned immovable assets, as well as public private partnerships, as immovable asset solutions.
 - (c) evaluate options by systematically weighing-up the costs and benefits; and
 - (d) record all options analysis to substantiate the decisions that have been made.
 2. Prioritisation of asset management activities must balance the need for new assets against the performance of current assets to determine acquisition, maintenance, and disposal priorities.
 3. The C-AMP should comprise the following sections:
 - (a) **Section 1:** Introduction (C-AMP)
 - (b) **Section 2:** Portfolio strategy and management plan
 - (c) **Section 3:** Immoveable asset performance summary
 - (d) **Section 4:** Immoveable asset lifecycle management plans
 - (e) **Section 5** Acquisition plan
 - (f) **Section 6:** Maintenance plan
 - (g) **Section 7:** Disposal plan
 - (h) **Section 8:** Budget and funding of immovable asset activities
 - (i) **Section 9:** Plan improvement and monitoring

(a) Section 1: Introduction (C-AMP)

Section 1 of a C-AMP should summarise the overall strategic intent of the Custodian regarding the management of its portfolio. The Custodian must set objectives to improve the overall performance of its asset portfolio and how it is going to measure itself to achieve such objectives, by addressing:

- (1) improvement strategies.
- (2) improvement objectives and targets; and
- (3) performance measures.

(b) Section 2: Portfolio strategy and management plan

Section 2 of the C-AMP should provide an overview of the portfolio strategy, with specific reference to the prioritisation framework for asset management activities in response to national priorities and each User's service delivery framework.

(c) Section 3: Immovable asset performance summary

Section 3 of the C-AMP should address the asset performance summary for all the assets in a Custodian's portfolio. The asset performance summary should provide the baseline against which immovable asset decisions are made. Custodians must establish and maintain management processes to monitor the performance and regularly assess the condition of the immovable assets under their control. This section should include an analysis of the Users' perspective of the functional performance of assets, as well as the Custodian's analysis based on technical condition assessments.

Protecting service delivery potential and addressing health & safety concerns are priorities when making decisions about an immovable asset. It is very important, therefore, that asset performance be appropriately reviewed and evaluated to verify that required outcomes are being achieved.

(d) Section 4: Immovable asset lifecycle management plans

Section 4 of the C-AMP must include a management plan for each immovable asset throughout its lifecycle. An immovable asset lifecycle is a financial concept defined as the period during which a Custodian would receive financial benefit from the immovable asset.

- (1) The immovable asset is obtained at an initial acquisition cost. Ordinary use of the asset leads to wear and tear, thus requiring preventative maintenance to ensure that deterioration remains within the parameters of the asset's required performance.
- (2) After an initial phase (7-10 years for buildings) the asset requires renovation to reinstate it to its original state, followed by the next phase of preventative maintenance.
- (3) During a lifecycle the asset may also be upgraded or extended which would increase the value of the asset.
- (4) The asset could be renovated for a second or a third time. At a particular point in time, certain of the systems supporting the asset are likely to fail. These systems are typically air conditioning plant, boilers, etc. The asset will now require a refurbishment

which may involve a major overhaul of all the building systems and in some cases replacement of such building systems. This point is generally reached after about 25 years for buildings, which also marks the end of the economic lifecycle of the asset.

- (5) The useful life of the immovable asset typically extends beyond this point and after refurbishment, a new economic lifecycle will commence. Some well-known immovable assets, such as the Union Buildings, are already in their fifth financial lifecycle.
- (6) The dashed curve denotes the lifecycle of the immovable asset should no maintenance be done on the asset, while the horizontal dashed line indicates the salvage value of the asset. Once the value of the asset has deteriorated below the salvage value, the cost to refurbish or repair the asset is generally more than the cost to construct a new asset.

(e) Section 5: Acquisition plan

Section 5 of the C-AMP addresses the planned acquisitions by the Custodian. The acquisition plan must cover:

- (1) all new assets to be constructed or purchased (including the acceptance of donations).
- (2) any new leases (including extension of existing leases after the lease contracts have expired); and
- (3) any existing asset that requires capital works such as renovation, upgrade, extension, or refurbishment.

(f) Section 6: Maintenance plan

Section 6 of the C-AMP must summarise the maintenance plan of the Custodian. Through its maintenance plan, a Custodian should strive to optimise the lifecycle of its assets whilst ensuring that the service delivery objectives of the User are met.

The Custodian's maintenance strategy should consider an appropriate balance between preventative and essential maintenance activities to prevent the undue deterioration of assets. Refurbishments, renovations, and major repairs (which are capital activities) should be used to improve the overall condition of the portfolio.

In this context, it is recommended that Custodians implement the following strategies to maintain the condition and value of their assets.

- (1) **Preventative maintenance** is undertaken at predetermined intervals for technical, statutory or reliability considerations. The major focus here is plant and equipment, but will also at regular intervals include the electrical, mechanical, and civil services. Preventative maintenance is focused at keeping the immovable asset at the current condition level through regular inspection, servicing, and repair.
- (2) **Essential maintenance** is a process whereby maintenance activities are only undertaken to ensure that statutory requirements are met and that breakdowns that renders the facility unusable is repaired. Essential maintenance is appropriate for immovable assets that are to be replaced, refurbished, or disposed.

The following maintenance activities by Custodians are essential to minimise the lifecycle cost of an immovable asset:

- (1) **Inspections** - regular inspections must be conducted on critical components or elements such as plant and equipment to ensure that it functions as intended in the manufacturer's product and guarantee specification or where applicable in terms of the Occupational Health & Safety legislation.
- (2) **Servicing** - regular servicing of components (e.g. air conditioning, elevators, etc.) as per manufacturer's product and guarantee specifications or where applicable in terms of the Operational Health & Safety legislation. This is normally measured in operating hours.
- (3) **Repair** - means actions required to reinstate a component of an immovable asset to its original state when such a component fails due to ordinary use.

(g) Section 7: Disposal plan

Section 7 of the C-AMP should include all assets identified for disposal, with specific reference to the rationale for the disposal decision and alternative uses considered. Methods of disposal that should be considered by the Custodian include:

- (1) sale or letting by public tender, public auction, or private treaty.
- (2) donations; and
- (3) transfer or letting of assets to other government entities or spheres of government.

When preparing an immovable asset disposal plan the Custodian should:

- (1) prepare and evaluate proper costing to support the selection of the most cost-effective disposal methods.
- (2) identify those areas most susceptible to fraud or risks and introduce appropriate preventive measures.
- (3) monitor and evaluate disposal performance regularly for compliance with the disposal policies and objectives.

(h) Section 8: Budget and funding of immovable asset activities

In section 8 of the C-AMP, Custodians should outline their overall funding requirement and consider the options available for funding both capital and current expenditure. Custodians should consider all activities that require funding. Custodians should acquaint themselves with the budget process prescribed by National Treasury. In this context, capital and current expenditure are used as determined by National Treasury in the Standard Charter

(i) Section 9: Plan improvement and monitoring

5.3.6 Process for Preparing a C-AMP

Introduction

The process of compiling a C-AMP is integral to the strategic planning process since immovable assets facilitate the achievement of service delivery objectives. Immovable asset planning should form an integral part of a department's strategic planning process. U-AMPs and C-AMPs should address budget requirements for two MTEFs. Immovable asset planning as part of the strategic planning framework (and MTEF) addresses the long-term implications of immovable asset decisions and allows time for appropriate responses to be developed to Users' needs.

The useful life of immovable assets generally is more than sixty years, therefore spanning many MTEF and economic lifecycles. Integrating immovable asset planning into the strategic planning process using an immovable asset lifecycle approach presents a challenge. It is therefore important to incorporate all lifecycle costs into a lifecycle plan that will span several MTEF cycles.

Prior to preparing a C-AMP a Custodian should ensure that:

- (a) occupation of assets has been verified.
- (b) information on the condition of assets is available, using the User's assessment augmented by the Custodian's inspections.
- (c) alternatives have been considered where Users' priorities so indicate (including options analyses where such analyses have been completed).
- (d) lifecycle plans have been modelled per asset type; and finally
- (e) its immovable asset register has been updated.

During the preparation of a C-AMP, a Custodian must conduct the following processes:

- (a) **Process 1:** Compile portfolio profile
- (b) **Process 2:** Compile asset performance report
- (c) **Process 3:** Compile asset lifecycle management plans
- (d) **Process 4:** Conduct portfolio analyses
- (e) **Process 5:** Develop Works Plans for:
 - (i) Capital works plans
 - (ii) Leasing plans
 - (iii) Maintenance plans
 - (iv) Disposal plans
- (f) **Process 6:** Develop asset management budget

(a) Process 1: Compile portfolio profile

During the compilation of the portfolio profile, Custodians are required to review Annexure A of the U-AMP (User Asset Requirements) to familiarise themselves with Users' service delivery objectives and associated asset requirements. Where necessary, Custodians should clarify immovable asset requirements.

Template 1 could be used to consolidate all Users' needs.

The portfolio profile must at least comprise of:

- (1) Name of User
- (2) Function that the immovable asset performs – e.g. School, Police Station.
- (3) The asset type (see Annexure A)
- (4) The asset category (See Annexure B) comprising of:
- (5) Prestige (Parliament, provincial legislatures, Union Buildings)
- (6) Heritage (cultural, scientific, or historical assets)
- (7) Security (military installations, prisons)
- (8) Function-specific (courts, schools, hospitals, police stations)
- (9) Infrastructure (roads, bridges, harbours, airports)
- (10) General (offices, residential accommodation, warehouses, hangers)
- (11) Common asset description
- (12) Property code (as per the Custodians immovable asset register)

Template 2: Part A could be used for the compilation of the portfolio profile.

(b) Process 2: Compile asset performance report

The immovable asset performance report must include both Users' (functional performance) assessment and the Custodians (asset performance) assessment.

The performance report must contain the following information.

- (1) Functional performance indicator
- (2) Utilisation indicator
- (3) Condition indicator
- (4) Financial value indicator
- (5) Remaining life of the asset

The functional performance indicator of an immovable asset is a measure of its effectiveness in supporting service delivery objectives. This indicator consists of the User's suitability and condition rating and should be obtained from the U-AMP's Template 3.

The utilisation indicator (as determined during the U-AMP process), should measure the capacity of the asset that is effectively used for service delivery, relative to the total capacity of the asset (as per the relevant design norm) expressed as a percentage.

A proper condition indicator should express the actual condition of the asset (determined by inspection) as a ratio of the required condition (as per the relevant design specification) of the asset. (See Annexure C)

The financial indicator is determined by expressing the current book value of an immovable asset as a percentage of its replacement value.

The remaining life of an immovable asset should be determined:

- (1) by subtracting the year of acquisition from the current year and subtracting the result from the lifecycle in years; or
- (2) in the case where the acquisition date is not available, by multiplying the financial indicator (see above) with the lifecycle of the asset in years.

This performance report will provide the Custodian with a framework to determine which immovable assets are:

- (1) not optimally supporting service delivery objectives.
- (2) meeting the minimum requirements; or
- (3) fully supporting service delivery objectives.

The combined performance assessment enables Custodians to classify immovable assets

Based on the results of the performance report and in consultation with Users, immovable assets are then classified into three groups.

- (a) **Group A:** Immovable assets that are in an acceptable condition to the User.
- (b) **Group B:** Immovable assets that are suitable to User's requirements but require technical condition assessment as the asset performance does not meet minimum functional requirements of the facility.
- (c) **Group C:** Immovable assets that have been identified as unsuitable to the current User's requirements.

Upon completion of the portfolio profile and asset performance report, Custodians should have a good indication of their current assets and overall asset performance.

Template 2: Part B could be used to complete the performance report for the assets.

(c) Process 3: Compile asset lifecycle management plans

Lifecycle plans should be conducted at the beginning of an economic lifecycle and captured in the immovable asset register. Lifecycle information should be obtained from the immovable asset register and should only be updated if there is a substantial change to the immovable asset resulting in a change in the lifecycle.

Lifecycle plans provide continuity in the management of assets and consist of:

- (1) historic information (asset acquisition date, capital cost).
- (2) current information (current replacement value and accumulated depreciation); and
- (3) planning information (maintenance, renovation, and refurbishment)

As a result of historic inadequacies in immovable asset registers, acquisition dates and values are often not available. Custodians did not always keep accurate records of renovation, upgrade, refurbishment, and maintenance expenditure. In such instances, Custodians must use the replacement value (at the time when the lifecycle plan is

prepared) but is then required to determine the remaining economic lifecycle (in years) for each asset. This information is required to plan for future renovations in the lifecycle of assets.

The analysis of lifecycle plans is required to compile a list of required renovations and refurbishments for the following two MTEF cycles. The planned renovation and refurbishments must be reviewed in conjunction with User requests for upgrades. Where possible the planned activities should be scheduled in accordance with User requirements to ensure minimal disruption of User activities.

In instances where it is not possible to align planned immovable asset management activities with User requirements, negotiations with the User has to be undertaken to develop an alternative solution in the interest of meeting the immediate service delivery needs of the Users whilst preserving the value of the asset portfolio.

Custodians, in consultation with Users, must however update the scheduled upgrades/refurbishments for at least the first MTEF cycle after the allocation of budgets by the relevant Treasury. The last element that must be included in the lifecycle activities of assets is the planned refurbishment or disposal date.

Template 3 could be used to summarise the lifecycle plan for each asset.

(d) Process 4: Conduct portfolio analysis

The portfolio analysis is focused on determining the proposed action per immovable asset. This analysis should be conducted in conjunction with Users to ensure that asset solutions provide optimal support for Users' service delivery objectives.

The portfolio analysis is focused on:

- (1) recording the performance indicator in respect of immovable assets (See figure 2).
- (2) identifying the applicable portfolio strategy that would inform the asset decision.
- (3) prioritising immovable assets according to condition indicators and applicable portfolio strategy (where assets with the worst condition per portfolio strategy receives top priority); and
- (4) proposing appropriate actions per asset.

Template 4 could be used to complete the portfolio analysis of the assets.

(e) Process 5: Develop Works Plans

Custodians should prepare works plans that addresses all capital expenditure-, operational expenditure- and disposal activities on immovable assets.

Capital expenditure activities include:

- (1) construction and purchase of new assets; and
- (2) renovation, upgrade, and refurbishment of existing assets.

Operational expenditure includes:

- (1) all leases (existing and new).
- (2) maintenance expenditure; and
- (3) property rates.

Custodians and Users must reach agreement on who is responsible for other operational expenditure such as municipal service charges, cleaning-, horticultural- and security services.

Capital works plans

The Custodian should now be in the position to identify projects to meet the immovable assets requirements of Users. These projects should be determined by analysing:

- (a) new requirements of Users (resulting from the U-AMP processes).
- (b) the performance assessment and portfolio analysis (process 3 of the C-AMP); and
- (c) lifecycle activities such as renovations and refurbishments resulting from lifecycle plans.

A capital works plan should contain the following information:

- (a) an asset reference number and description.
- (b) the performance indicator for existing assets.
- (c) type of acquisition.
- (d) the applicable portfolio strategy.
- (e) the rationale for the acquisition.
- (f) status of the acquisition activities.
- (g) proposed action for new acquisitions; and
- (h) the timeframe (duration) of the acquisition process; and
- (i) scheduled maintenance expenditure for MTEF.

Template 5.1 could be used to complete the capital works plan, while Template 5.2 could be used to complete the capital works budget.

Leasing plans

The lease expenditure plan must include the cost of tenant installations. Ideally, the cost of tenant installations should be included as a component of the rental that will be recovered from the User and paid to the landlord over the period of the lease. However, should the Custodian undertake tenant installations, this cost must be included in the Capital Works Plan as a capital expenditure item.

Template 6.1 could be used to complete the leasing plan, while Template 6.2 could be used to complete the leasing budget.

Maintenance Plans

A maintenance strategy is determined for each asset, based on:

- (a) current replacement value.

- (b) remaining economic lifecycle; and
- (c) remaining useful life of the asset.

The three indicators should inform the Custodian on the prioritisation of asset activities. The performance indicator could be interpreted as follows (see figure 2 above):

- (d) Group A: Preventative maintenance
- (e) Group B: Essential maintenance only
- (f) Group C: Technical assessment required - condition-based maintenance

After allocation of the asset performance indicator, the Custodian must determine the portfolio strategy to which the proposed actions are aligned.

The review of applicable portfolio strategies will enable the Custodian to develop the proposed action for each asset. Proposed actions are developed for each asset, depending on the current asset performance and the portfolio strategy.

The maintenance plan should contain the following information:

- (a) an asset reference number and description.
- (b) category of the asset
- (c) type of asset.
- (d) asset condition indicator.
- (e) replacement value of assets.
- (f) previous year's maintenance expenditure on each asset; and
- (g) scheduled maintenance expenditure for MTEF.

Template 7 could be used to complete the maintenance plan.

Disposal Plans

The disposal must include all identified disposals, with specific reference to the rationale for the disposal decision.

The disposal plan must indicate alternative uses that the Custodian considered. This includes:

- (a) land reform (restitution, redistribution, and tenure upgrade).
- (b) other socio-economic objectives; and
- (c) donation to other spheres of government for service delivery.

The Custodian must indicate the methods of disposal that should be considered:

- (a) sale or letting by public tender, public auction, or private treaty.
- (b) donations; and
- (c) transfer or letting of assets to other government entities or spheres of government.

In the case of termination of leases, the Custodian should state the factors taken into consideration when terminating a lease, which should include at least:

- (a) empowerment score of property owner.
- (b) existing rental cost per m2.
- (c) rationale for termination.
- (d) any residual rental or penalties due by the custodian.
- (e) cost of relocating the user; and
- (f) new accommodation solution (including rental cost per m2 for new leases).

Template 8.1 and 8.2 could be used to complete the disposal plan for state-owned assets and termination of leases respectively.

(f) Process 6: Develop asset management budget

Asset budgets are compiled based on the complete funding requirements of each asset and are categorise according to the funding required as follows for each User:

- (a) Consolidated budget - Template 9 could be used to summarise the complete asset management budget. The information for Template 9 must be obtained by from templates 9.1, 9.2, 9.3 and 9.4.
- (b) Capital budget requirements - Template 9.1 could be used to complete the capital works budget.
- (c) Lease budget requirements - Template 9.2 could be used to complete the capital works budget.
- (d) Property rates and municipal services budget requirements - Template 9.3 could be used to complete the capital works budget.
- (e) Maintenance budget requirements - Template 9.4 could be used to complete the capital works budget.

Custodian

5.3.7 Templates for Preparing a C-AMP

The following templates could be used by Custodians when preparing a C-AMP.

- (a) **Template 1:** User Needs Analysis (Annexure 1 of C-AMP)
- (b) **Template 2:** Asset Performance Management Plan (Annexure 2 of C-AMP)
- (c) **Template 3:** Asset Lifecycle Plan (Annexure 3 of C-AMP)
- (d) **Template 4:** Portfolio Analysis (Annexure 4 of C-AMP)
- (e) **Template 5.1:** Capital Projects (New, Upgrades and Refurbishments) (Annexure 5 of C-AMP)
- (f) **Template 5.2:** Capital Projects Budgets (Annexure 6 of C-AMP)
- (g) **Template 6.1:** Leasing Plan (Annexure 7 of C-AMP)
- (h) **Template 6.2:** Leasing Budgets (Annexure 8 of C-AMP)
- (i) **Template 7:** Maintenance Plan (Annexure 9 of C-AMP)

- (j) **Template 8.1:** Disposal Plan for State-owned Assets (Annexure 10 of C-AMP)
- (k) **Template 8.2:** Termination of Leases (Annexure 11 of C-AMP)
- (l) **Template 9:** Summary Budget (Annexure 12 of C-AMP)
- (m) **Template 9.1:** Capital Budget (Annexure 13 of C-AMP)
- (n) **Template 9.2:** Leasing Budget (Annexure 14 of C-AMP)
- (o) **Template 9.3:** Maintenance Budget (Annexure 15 of C-AMP)
- (p) **Template 9.4:** Property Rates Budget (Annexure 16 of C-AMP).

Examples of templates are attached.

5.3.8 Organisational Support

Upon finalising its C-AMP, a Custodian should consider its organisational capacity to implement the C-AMP. This should be addressed by assessing the Custodian's:

- (a) organizational structure in dealing with the implementation of the C-AMP, the result of which should be included in the Custodian's Human Resources Plans.
- (b) enabling systems such as asset- and project management systems, the result of which should be included in the Custodian's Information Technology Resource Plans.
- (c) sourcing options for capacity to implement the C-AMP, including options such as in-sourcing, out-sourcing and co-sourcing (partnering with organisations that will develop or provide skills), the result of which should be included in the Custodian's Demand Management Plan as part of supply chain management processes.

6. CONTRACT / SERVICE PERIOD – FOR THE 3 PROJECTS

- (1) The service will be required for a period of 3 years.
- (2) The work is expected to commence within 30 days of signing of contract, with progress reports submitted monthly.

7. REQUIRED SKILLS – 3 PROJECTS

The service provider is required to provide a minimum of the following skills and expertise considered necessary for effectively implementing the assignment.

- Property valuation skills
- Property vesting and Conveyancing skills
- Project Management Skills
- Civil or Structural Engineer Skills
- Chief Architect (Space planner) Skills
- Production Space Planner Skills
- Quantity Surveyor Skills

8. EVALUATION PROCESS

Evaluation Steps:

- Mandatory Requirements
- Other Administrative Requirements
- Functionality Evaluation Criteria
- Price and Preference Points

9.1. Mandatory Requirements

Failure to submit / meet or comply with the following requirements automatically constitute disqualification of tender offer.
Invitation to bid (SBD 1)
Pricing schedule for firm prices (SBD 3.1)
Declaration of interest (SBD 4)
Submission of completed preference claim form (SBD6.1)
Declaration of bidder's past supply chain management practices (SBD 8)
Certificate of Independent Bid Determination (SBD 9)
Submission of the proof of account with deed office
<p>In line with the Preferential Procurement Regulation 9 of 2017, Tenderers must sub-contract a minimum of 30% of the contract value to the targeted groups (Bidders must submit a proof of sub-contracting arrangement/s and B-BBEE certificate/s or appropriate affidavit/s for sub-contractors). The bidders must select sub-contractor/s from the list attached in the tender document</p> <p>NB! Bidders are required to submit a subcontracting agreement, signed by all parties concerned indicating the subcontracting percentage (%) / subcontracting amount of all participating subcontractors.</p> <p>Targeted Groups are: (The bidder must subcontract to one or more of the following categories and should ensure that at least 30% of the contract value is subcontracted)</p> <ul style="list-style-type: none"> • EME's or QSE's which is at least 51% owned by black people who are Youth or, (bidders must attach Identity Document for subcontractor) • An EME or QSE • An EME or QSE which is at least 51% owned by black people • EME's or QSE's which is at least 51% owned by black people who are Woman or, (bidders must attach Identity Document for subcontractor) • EME's or QSE's which is at least 51% owned by black people with Disabilities or, (bidders must submit proof from a medical practitioner for subcontractor if disabled) • EME's or QSE's which is at least 51% owned by black people Living in Rural or Underdeveloped Areas or Townships or, (proof of residence for subcontractor) • EME's or QSE's which is and at least 51% owned by black people who are Military Veterans. (force number or a confirmation letter from the Military veteran's department for subcontractor)
Submission of signed JV agreement or consortia agreement in case of Joint Venture/ Consortium that must stipulate the percentage revenue split between the parties

9.1.1 Subcontractor B-BBEE requirements (EME and QSE):

- (1) An Exempted Micro Enterprise (EME) is required to submit a valid sworn affidavit (or certified true copy of the original) confirming their annual total revenue of R10 million or less and level of black ownership to claim points as prescribed by the Preferential Procurement Regulations 2017
- (2) A Qualifying Small Enterprises (QSE) which is at least 51% black owned is required to submit a valid sworn affidavit (or certified true copy of the original) confirming their annual total revenue of between R10 million and R50 million and level of black ownership to claim points as prescribed by the Preferential Procurement Regulations 2017.
- (3) A Qualifying Small Enterprise (QSE) which is less than 51% black owned is required to submit a valid B-BBEE Status Level verification certificate (or certified true copy of the original) which is accredited by SANAS including a valid sworn affidavit (or certified true copy of the original) declaring their annual total revenue of between R10 million and R50 million, based on the Financial Statements/Management Accounts and other information available on the latest financial year-end.

9.2 Other Administrative Requirements

Proof of Registration with CSD (the CSD report will include the supplier number commencing with MAAA). CSD registration report for each main bidder, partner in the trust, consortium or joint venture to be submitted. Only suppliers who are registered on the National Centralised Supplier Database (CSD) will be considered for appointment
Submission of a Tax Compliance Status PIN that will grant a third-party access to the bidder's Tax Compliance Status. (A trust, consortium or joint venture must submit a Tax Compliance Status Pin of each partner in the trust, consortium or joint venture)
Registration Documents of the business with the Companies and Intellectual Property Commission (CIPC) OR Master of the High Court in South Africa
Certified copies of Identity documents for all members / directors / shareholders or owner/s to be submitted

9.3 Functionality Evaluation Criteria

Functionality will be scored out of 100 points and the minimum threshold to qualify is 70 points. Bidders who fail to meet the minimum threshold will not be considered for further evaluation. The evaluation criteria to score bidders on functionality is as follows

Functionality:	
Functionality total points:	100 points
Minimum threshold to qualify	70 points

Main functionality criteria:	Sub criteria	Points allocation for sub-criteria	Total Points
COMPANY EXPERIENCE BIDDER/ CONSORTIUM / JV	Bidders to provide proof of work on previously on Government Immovable Assets with contactable references letters on the client letterhead:		40 points
	The bidder / consortium / JV should provide all requested services which include vesting & Conveyancing, C-AMP & U-AMP and Property Valuation		
	4 Reference letters confirming completion of project or service on client letter head. (vesting & Conveyancing, C-AMP & U-AMP and Property Valuation)	40 points	
	3 reference letters confirming completion of project or service on client letter head. (vesting & Conveyancing, C-AMP & U-AMP and Property Valuation)	30 points	
	2 reference letters confirming completion of project or service on client letter head. (vesting & Conveyancing, C-AMP & U-AMP and Property Valuation)	20 points	
	1 reference letters confirming completion of project or service on client letter head. (vesting & Conveyancing, C-AMP & U-AMP and Property Valuation)	10 points	
	No reference letters confirming completion of project or service on client letter head. (vesting & Conveyancing, C-AMP & U-AMP and Property Valuation)	0 points	
Note: If bidder / consortium/ JV doesn't provide all confirming completion of project or services (vesting & Conveyancing, C-AMP & U-AMP and Property Valuation) will forfeit all points on the specific sub criteria of company experience			
QUALIFICATION OF KEY PERSONNEL & EXPERIENCE OF KEY PERSONNEL	Key staff (assigned personnel) in relation to the scope of property vesting and conveyancing, Valuation and C-AMP & U-AMP management services. Attached CV's, certified qualifications, and proof of professional registration with appropriate professional body		40 points
	1) 2 Registered Professional Conveyancing Attorneys – with at least 5 years' experience in vesting and conveyancing	10 points	
Note: A conveyancing Attorneys who is not professional registered will be scored zero (0) points and a Professional Registered Conveyancing Attorneys who fails to provide certified copy of professional registration with law Society will be scored zero (0) point.			
2) 4 Registered Professional Property Valuers or Professional Associated Valuer without restrictions – with at least 5 years' experience in property valuation	10 points		
Registered Professional Property Valuers or Professional Associated Valuer who is not professional registered with SACPVP will be scored zero (0) points			
NB The team must include at least four (4) professional property valuers or professional associate valuers without restrictions. The team will be deemed incomplete if all 4 professionals are not provided therefore the bidder will forfeit points for Key personnel on qualifications			

	Project Manager (Registered with SACPCMP as a Professional project manager) with a minimum 5-year experience.	5 points	
	Civil or Structural Engineer (Registered with ECSA as a Professional Engineer) with a minimum of 5-years' experience.	5 points	
	Chief Architect or Space planner (Registered with SACAP as a Professional Architect) with a minimum of 5-years' experience.	5 points	
	Quantity Surveyor (Registered with SACQSP as a Professional Quantity Surveyor) with a minimum of 5-years' experience.	5 points	
	NB! Key staff who do not meet the stated minimum requirements will be scored zero points		
PROJECT PLAN	A Detailed Project Plan, detailed work breakdown structure, clear timeframe aligned to the project duration to include the following:		20 points
	A project plan demonstrating that a service of vesting & Conveyancing, C-AMP & U-AMP and Property Valuation will be completed within:		
	Less than 2 years	20 points	
	More than 2 years but less than 2 years and 6 months	15 points	
	More than 2 years and 6 months but less than 3 years	10 points	
	More than 3 years or no project plan	0 points	

9. PRICE AND PREFERENCE POINTS

The Gauteng Department of Infrastructure Development will apply the 90/10 preference point system in accordance with Regulation 7 of the Preferential Procurement Regulations, effective from 1 April 2017

10. BIDDERS SHOULD NOTE THE FOLLOWING:

- (1) It is important to note that the successful provider will work under the supervision of a DID representative.
- (2) The service provider will enter the National Treasury General Conditions of Contract, abide by DID's Service Level Agreement, and other organizational guidelines.
- (3) Tender documents will be available
- (4) For the availability of the bid document and technical specification enquiries contact Supply Chain Management (SCM) on the following
- (5) The Department will not compensate the bidder for any costs incurred in the preparation and submission of a bid offer
- (6) The bid validity period is 90 days. However, the Department reserves the right to request all bidders to extend such validity period should the need arise.

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

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

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

Name of bidder.....	Bid number.....
Closing Time 11:00	Closing date.....

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

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY ** (ALL APPLICABLE TAXES INCLUDED)
-	Required by:	
-	At:	
-	Brand and model	
-	Country of origin	
-	Does the offer comply with the specification(s)?		*YES/NO
-	If not to specification, indicate deviation(s)	
-	Period required for delivery	*Delivery: Firm/not firm
-	Delivery basis	

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

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

*Delete if not applicable



DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state¹, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, 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 state; and/or
 - the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

2. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

2.1 Full Name of bidder or his or her representative:

2.2 Identity Number:

2.3 Position occupied in the Company (director, trustee, shareholder²):

2.4 Company Registration Number:

2.5 Tax Reference Number:

2.6 VAT Registration Number:

2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / persal numbers must be indicated in paragraph 3 below.

¹"State" means –

- (a) any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (b) any municipality or municipal entity;
- (c) provincial legislature;
- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.

²"Shareholder" means a person who owns shares in the company and is actively involved in the management of the enterprise or



business and exercises control over the enterprise.

2.7 Are you or any person connected with the bidder presently employed by the state? **YES / NO**

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member:

Name of state institution at which you or the person connected to the bidder is employed :

Position occupied in the state institution:

Any other particulars:
.....
.....
.....

2.7.2 If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector? **YES / NO**

2.7.2.1 If yes, did you attached proof of such authority to the bid document? **YES / NO**

(Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.

2.7.2.2 If no, furnish reasons for non-submission of such proof:

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

2.8 Did you or your spouse, or any of the company's directors / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months? **YES / NO**

2.8.1 If so, furnish particulars:
.....
.....
.....



2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

2.9.1 If so, furnish particulars.

.....

2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid? **YES/NO**

2.10.1 If so, furnish particulars.

.....

2.11 Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract? **YES/NO**

2.11.1 If so, furnish particulars:

.....

3 Full details of directors / trustees / members / shareholders.

Full Name	Identity Number	Personal Tax Reference Number	State Employee Number / Persal Number



4 DECLARATION

I, THE UNDERSIGNED (NAME).....

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT.
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF
PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION
PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of bidder



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

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

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

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all bids:

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

1.2

a) The value of this bid is estimated to exceed R50 000 000 (all applicable taxes included) and therefore the 90/10 preference point system shall be applicable; or

1.3 Points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contributor.

1.4 The maximum points for this bid are allocated as follows:

	POINTS
PRICE	90
B-BBEE STATUS LEVEL OF CONTRIBUTOR	10
Total points for Price and B-BBEE must not exceed	100

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

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

2. DEFINITIONS

- (a) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms

of section 9(1) of the Broad-Based Black Economic Empowerment Act;

- (c) **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
 - 1) Status level certificate issued by an authorized body or person; B-BBEE
 - 2) affidavit as prescribed by the B-BBEE Codes of Good Practice; A sworn
 - 3) requirement prescribed in terms of the B-BBEE Act; Any other
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

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

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

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 bid under consideration
- P_{min} = Price of lowest acceptable bid

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

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

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

5. BID DECLARATION

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

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

- 6.1 B-BBEE Status Level of Contributor: = (maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.)

7. SUB-CONTRACTING

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

(Tick applicable box)

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

- 7.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted.....%
- ii) The name of the sub-contractor.....
- iii) The B-BBEE status level of the sub-contractor.....



iv) Whether the sub-contractor is an EME or QSE
(Tick applicable box)

YES		NO	
-----	--	----	--

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

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

8. DECLARATION WITH REGARD TO COMPANY/FIRM

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

8.2 VAT _____ registration
number:.....

8.3 Company _____ registration
number:.....

8.4 TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One person business/sole propriety
- Close corporation
- Company
- (Pty) Limited

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

.....

.....

8.6 COMPANY CLASSIFICATION

- Manufacturer
- Supplier
- Professional service provider
- Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

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

8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
 - (a) disqualify the person from the bidding process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution.

<p>WITNESSES</p> <p>1.</p> <p>2.</p>
--

<p>.....</p> <p>SIGNATURE(S) OF BIDDERS(S)</p> <p>DATE:</p> <p>ADDRESS</p> <p>.....</p> <p>.....</p>
--

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Standard Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by institutions in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be disregarded if that bidder, or any of its directors have-
 - a. abused the institution's supply chain management system;
 - b. committed fraud or any other improper conduct in relation to such system; or
 - c. failed to perform on any previous contract.
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

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



4.3.1	If so, furnish particulars:		
4.4	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?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		

SBD 8

CERTIFICATION

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

Js365bW



CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Standard Bidding Document (SBD) must form part of all bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 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 authorizes 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.
- 4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

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

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



CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Institution)

do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of: _____ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and



- (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

SBD 9

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
- (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

³ Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.



SBD 9

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

Js914w 2

THE NATIONAL TREASURY

Republic of South Africa



**GOVERNMENT PROCUREMENT:
GENERAL CONDITIONS OF CONTRACT**

July 2010

GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT
July 2010

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 any thing of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 "Day" means calendar day.
 - 1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.
 - 1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.
 - 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
 - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

- 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 "GCC" means the General Conditions of Contract.
- 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.
- 1.23 "SCC" means the Special Conditions of Contract.
- 1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such

obligations of the supplier covered under the contract.

1.25 "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

2. Application

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

2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.

2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

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

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

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 the supplied goods in the conditions prevailing in the country of final destination.

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

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

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

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take

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

- 16. Payment**
- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.
- 17. Prices**
- 17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.
- 18. Contract amendments**
- 18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.
- 19. Assignment**
- 19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.
- 20. Subcontracts**
- 20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.
- 21. Delays in the supplier's performance**
- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the

supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without canceling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

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

23. Termination for default

23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:

- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- (b) if the Supplier fails to perform any other obligation(s) under the contract; or
- (c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.

23.4 If a purchaser intends imposing a restriction on a supplier or any

person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.

23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:

- (i) the name and address of the supplier and / or person restricted by the purchaser;
- (ii) the date of commencement of the restriction
- (iii) the period of restriction; and
- (iv) the reasons for the restriction.

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

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

**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** 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
- 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
- 32. Taxes and duties** 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
- 33. National Industrial Participation Programme (NIP)** 33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.
- 34 Prohibition of Restrictive practices** 34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).
- 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

- 34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.

Js General Conditions of Contract (revised July 2010)