



REQUEST FOR QUOTATION:

RFQ 20485

APPOINTMENT OF A PANEL OF THREE (3) DEBT COLLECTION PROVIDERS FOR THE PERIOD OF THREE (3) YEARS

CLOSING DATE AND TIME : THURSDAY, 11 AUGUST 2022 @ 14H00

Quotations to be submitted via email: **Tenders_LTD@ithala.co.za** or to be hand delivered at the following address: Delta Towers
15th floor, Ithala reception
303 Dr Pixley KaSeme Street
Durban

4000

Procurement Enquiries

Name : Mvelo Bekwa
Telephone : 031 366 2615
Email : **Tenders_LTD@ithala.co.za**

Name of service provider:

REQUEST FOR QUOTATIONS

RFQ 20485: APPOINTMENT OF A PANEL OF THREE (3) DEBT COLLECTION PROVIDERS FOR THE PERIOD OF THREE (3) YEARS

Competent service providers are hereby invited to furnish written quotations for performing the above-mentioned service / supplying the above-mentioned goods.

	QUOTATION DATA	Compliance			
		Yes	No	Noted	If no, indicate deviation
1.	EVALUATION PROCESS				
1.1	<u>STAGE ONE:</u> ADMINISTRATION COMPLIANCE				
1.1.1	<p>All bids duly lodged will be examined to determine compliance with bidding requirements and conditions. Bids with obvious deviations from the requirements/conditions, will be eliminated from further adjudication.</p> <p>(a) Mandatory</p> <p>Bids will only be compliant if bidder has submitted the following documents:</p> <ul style="list-style-type: none"> • The bidder must registered as a vendor on the National Treasury Central Supply Database (CSD), which can be found at https://secure.csd.gov.za/ in compliance with National Treasury compliance paragraph 4.2 with instruction note 4a of 2016/2017 • The service provider must be in good standing with SARS and this information will be verified on central supplier database or on SARS e-filing. • Integrity Declaration - A completed and duly signed declaration. Should a conflict of interest be declared or identified, the bid would be declared non- responsive. NB Bidder must ensure all pages are complete and all questions answered, you are to indicate not applicable (N/A) where appropriate. (failure to complete and sign shall invalidate your quotation) • The proposing entities are bona fide entities, registered in accordance with the laws of SA; and sole proprietary must also be in compliance. • Provide a valid Proof of Registration with council of Debt Collectors. • CV and Qualifications of proposed resources. • Submitted the proposed methodology and approach for the above RFQ. • The bidder must provide a valid proof of resident stating their physical presence in KwaZulu Natal (valid proof of resident must be a municipal bill or lease agreement and not of an agent). 				

	NB: Failure to provide any mandatory information required will result in the submission being deemed null and void and shall be considered non-responsive				
	QUOTATION DATA	Compliance			
		Yes	No	Noted	If no, indicate deviation
	<p>(b) Non-Mandatory</p> <p>Administrative Compliance such as but not limited to:</p> <ul style="list-style-type: none"> Valid BBB-EE certificate All proposals are complete (i.e. that all required documentation is attached, that all questions are answered); <p>Where a bid specifies certain documents prior to the award, no service provider can be awarded without the specified documents. This information MAY be requested during the evaluation process and the bidder will be expected to provide any outstanding documentation within limited period prior to the award.</p>				
1.2	<u>STAGE TWO</u> EVALUATION CRITERIA/ FUNCTIONALITY TEST				
1.2.1	Bidders who met all the mandatory requirements are evaluation further on technical/functionality assessment				
1.3	<u>STAGE THREE</u> PRICE AND B-BBEE EVALUATION				
1.3.1	Price and B-BBEE evaluation will only be done to bidders who went past Stage 2				
1.4	ADJUDICATION OF BID				
1.4.1	The bid shall be awarded at the sole and absolute discretion of ITHALA. ITHALA hereby represents that it is not obliged to award this bid to any bidder. ITHALA is entitled to retract this bid at any time as from the date of issue. ITHALA is not obliged to award this bid to the bidder that quotes the lowest.				
1.4.2	A bidder shall be disqualified from bidding if any attempt is made either directly to solicit and/or canvass any information from any employee or agent of ITHALA regarding this bid from the date the offer is submitted until the date of award of the bid.				
1.5	AWARDING CONTRACT				
1.5.1	Ithala reserves the right to award this bid in full or in Part.				

A. SPECIFICATION

1. BACKGROUND

ITHALA SOC LIMITED (hereinafter referred to as "Ithala") has identified a gap in the area of debt collection of "ITHALA" clients and requires the services of a Panel of three (3) external Debt Collection agents to pursue recovery of overdue amounts, where the "ITHALA" Collections Department has not been able to do so.

The Debt Collection Agencies will provide an additional source of recovery operations and also provide a vehicle asset recovery service to "ITHALA" that is expedient, economical and feasible, backed by experience, resources and appropriate technology.

These agents will sign a three (3) year service level agreement.

Overall objective

1.1. The overall collection process should meet the following objectives:

- It should assist in improving the cash flow position of "ITHALA"
- It should assist the client to keep to his/her commitments.
- It should keep the expenses due to bad debt at the lowest possible level.
- It should be in line with the National Credit Act.

1.2. In addition to the above, the debt collection function that "ITHALA" is seeking should ultimately add significant value to the bottom line of the business.

2. Services required

2.1. Collections of overdue amounts through employing a specific strategy on:

a) Vehicle and Taxi Finance Debt Collections

- Interact with Debtors with the purpose of negotiating repayment arrangements and collecting overdue amounts in instalments.
- To recover the asset (vehicle) on instruction from the bank; should the debtor fail to meet the contractual obligations and or the renegotiated terms of repayment
- Trace absconded Debtors "no trace no charge" basis where applicable;
- Report on a monthly basis on the status of the various debts handed over for collections.
- Recommend whether a once off loan settlement should be considered.
- Recommend on whether the matter should proceed via Section 65 Judgement.
- To proceed with a Section 65 Judgement or to take default judgement when instructed to do so by the bank.
- Proceed with a Section 127 "surrender of asset".
- If nil collections receipted over a period of 3 months, to advise the Creditor (Ithala), and request for further instruction.

b) Secured Debt (Mortgage Loans)

- Interact with Debtors, sureties to negotiate repayment arrangements and collect overdue amounts in instalments.
- Interact with Debtors, sureties to collect the balance at an amount negotiated with "Ithala"
- Trace absconded Debtors and Sureties on a "no trace no charge" basis where applicable;
- Recommend whether a once off loan settlement should be considered.
- Recommend on whether the matter should proceed via Section 65 Judgement.

- To proceed with a Section 65 Judgement or to take default judgement when instructed to do so by the bank.
- If there is nil collections over a 6 months period, to advise Creditor (Ithala) and request for further instruction.
- Report on a monthly basis on the status of the various debts handed over for collections.

c) Unsecured Debt (Personal Loans)

- Interact with Debtors with the purpose of negotiating repayment arrangements and collecting overdue amounts in instalments.
- Trace absconded Debtors “no trace no charge” basis where applicable;
- Report on a monthly basis on the status of the various debts handed over for collections.
- Recommend whether a once off loan settlement should be considered.
- Recommend on whether the matter should proceed via Section 65 Judgement.
- To proceed with a Section 65 Judgement or to take default judgement when instructed to do so by the bank.
- If nil collections receipted over a period of 6 months, to advise the Creditor (Ithala), and request for further instruction.

2.2. General

- Report on Monthly Collection Percentage in respect of performance
- Collections will be based on a nil collection, nil fee basis
- Provide updates to Ithala on market trends in Collections which could be in the form of a quarterly newsletter etc.; and also provide updates on changes in Regulations and Compliance issues that have a direct bearing on Debt Recovery activities; for example, changes to the Prescription bill etc.

3. Contract period

The duration of the contract is for a period of three (3) years.

4. Proposal Requirements

Bidders are requested to clearly demonstrate in their proposal how they will assist “ITHALA” with meeting the objectives as set out in point 2 above. In addition, bidders must:

- Must have a head office situated in KwaZulu Natal and not of an agent.
- Provide Proof of Registration with council of Debt Collectors.
- Copy of registration certificates issued to tracing agents, investigators and field representatives by the Council of Debt Collectors, for entities used by your company
- Provision of 3 or more Letters of Reference from current Clients that you currently provide a service for in respect of Debt Collection of loans from registered credit providers or FSP approved.
 - Include total value of work conducted
 - Average age of debt
 - Success of collection specifically the rate of collection recovery percentage
- Must have minimum of 5 years of current experience in Debt Collections as evidenced in your company profile.
- Clearly indicate what tools (Collection management Applications) or techniques (Strategy) they will be using to assist “ITHALA” in collecting and recovering all outstanding debt.
- Clearly indicate the debt collection processes that will be followed including campaigns
- Clearly indicate the timeframes for debt recovery

- Clearly demonstrate the recovery method for the up-liftment of vehicles

5. Specific conditions

5.1. The Service Provider must, in addition to Services Provided (3) liaise with “Ithala” when confirming the following:

- An Arrangement to repay debt over an extended period (Term variation)
- To re-confirm payment instructions (new debit order etc.)
- To confirm arrangement amounts, as payments that are less than the instalment will not be permitted; unless the account is specifically restructured with reference to the loan term (Term Variation)
- To confirm a settlement agreement and the settlement figures
- To close the file when instructed to do so by Ithala Limited
- To present commission payable accounts for payment directly to Ithala Limited
- No offsets against recoveries will be permitted
- The loan account remains the property of Ithala Limited throughout the Collection Process
- Report on a monthly basis on the status of the various debts handed over for collections, showing, but not limited to:
 - successful collections;
 - cost to date
 - potential recoveries;
 - recovery target dates; and
 - Recommendations on the way forward.

6. Fee structure

Ithala currently has a book size of approximately R5 million per annum over the next 3 years

NB: The following rates are applicable to the successful collection.

The fee structure will be commission based on the amount collected as is recommended as follows:

- Nil collections, nil fee
- A commission of 10% on amounts collected on Early Stage Accounts.
- A commission of 15% on amounts collected on Late Stage Accounts.

Bidders are expected to indicate their discounted commission percentage offered to Ithala

Item No.	Description of applicable activities	Max Offered	Discounted Percentage offered by the bidder
1	Early Stage Collections	10%	%
2	Late Stage Collections	15%	%

Commission rates will be capped on negotiated settlements of full or part loan amounts; which capped rate will be negotiated on the final Service Level agreement.

RECEIPTING OF PAYMENTS

COLLECTIONS FROM ITHALA DEBTORS

- Payments receipted from debtors are paid over to Ithala Account once a month; by the end of that month

- Payments are made directly to Ithala SOC Limited via the Absa Account Number 4059534698 with the client account number as a reference
- The Debt Collector will reconcile payments on a weekly basis after receiving a payment file from Ithala SOC Limited, and further a consolidated monthly payment report will be sent through to the Debt Collector by the end of the month
- The Debt Collector will then prepare an invoice for commission payment based on payments received.

7. Evaluation criteria/ Functionality test

Bidders who met all the mandatory requirements are evaluation further on technical/functionality assessment using the following criteria:

NUMBER	FUNCTIONALITY	SCORES	MAXIMUM POINTS TO BE AWARDED	EVIDENCE
1.	COMPANY'S EXPERIENCE IN DEBT COLLECTIONS EXPERIENCE AND COMPETENCIES IN DEBT COLLECTION RE SEARCH AND CONCEPT DESIGN OR SIMILAR		30	
1.1	Description of the company's prior experience (Company Profile)		15	Company Profile as well as Table listing the bidder's current or previous clients. (These table should include: Client name, contact details, start date, end date and the value of project)
	More than five years	15		
	Between five years and three years	10		
	Less than three years	0		
1.2	Letters of reference from registered credit providers or approved FSP		15	Positive reference letters in the client letter head or Completion certificates
	Three or more letters of reference	15		
	Less than three letters of reference	10		
	Zero letters of reference	0		
2.	CAPABILITY, EXPERIENCE AND EDUCATIONAL BACKGROUND OF KEY TEAM MEMBERS		20	
2.1	Expert 1 (Manager)		10	
	Qualifications and skills (A minimum undergraduate qualification in Commerce or Legal) NB. If there is no proof for the undergraduate qualification, the bidder will be awarded zero.	5		Qualification of the proposed resource and detailed CV with the list of projects and years/duration to justify the number of experience.
	Minimum of 5 years debt collections experience. (less than 5 years bidder will be awarded zero) Curriculum vitae indicating the years of experience is mandatory	5		
2.2	Expert 2 (Team Leader)		10	
	Qualification and skills (Post-matric qualification related to debt collection management – supporting documents are mandatory). NB. If no post-matric qualification submitted, the bidder will be awarded zero.	5		Qualification of the proposed resource and detailed CV with the list of projects and years/duration to

	Minimum of 3 years debt collections experience. (less than 3 years bidder will be awarded zero) Curriculum vitae indicating the years of experience is mandatory	5		justify the number of experience.
4.	PROPOSED METHODOLOGY AND APPROACH		50	
4.1	Detailed methodology with key activities required to deliver on: <ul style="list-style-type: none"> the proposed scope of work outlined in section 2 (20 = excellent, 15= good, 10 = average, 0 = poor); Strategy for each activity; <ul style="list-style-type: none"> Vehicle and Taxi – (5) Secured Debt (Mortgage Loans) – (5) Unsecured Debt (Personal Loans) – (5) Working Tools (Debt Collections Systems and Tracing Tools) addressing the specific of the scope of work outlined in section 2. (15 = excellent, 10 = Good, 5 = Average, 0 = Poor) 	50		Proposed Methodology and Approach must be submitted.
TOTAL SCORING			100	
Bidder must score a minimum functionality of 70 points to be considered for further evaluation based on price and B-BEE assessment using the 80/20 Preferential Point System.				

B. PRICING SCHEDULE

Item No.	Description of applicable activities	Max Offered	Discounted offered by the bidder	Percentage
1	Early Stage Collections	10%		%
2	Late Stage Collections	15%		%

Item No.	Description	Price (Excl. VAT)	Price (Incl. VAT)
1	Tracing fees	R	R

SIGNATURE OF BIDDER: _____

CAPACITY: _____

C. INTEGRITY DECLARATION

1. PURPOSE OF THE FORM

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

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

2. Tenderer's declaration

- 2.1 Is the tenderer, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest¹ in the enterprise, employed by the state?

YES	NO
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- 2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

Full Name	Identity Number	Name of State institution

- 2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by Ithala SOC (Ltd)?

YES	NO
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- 2.2.1 If so, furnish particulars:

- 2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract?

YES	NO
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¹ the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

2.3.1 If so, furnish particulars:

3 DECLARATION

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

- 3.1 I have read and I understand the contents of this declaration;
- 3.2 I understand that the accompanying quotation will be disqualified if this declaration is found not to be true and complete in every respect;
- 3.3 The tenderer has arrived at the accompanying quotation independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying quotation have not been, and will not be, disclosed by the tenderer, directly or indirectly, to any competitor, prior to the date and time of the official quotation closing or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the tenderer with any official of Ithala SOC (Ltd) in relation to this procurement process prior to and during the quotation process except to provide clarification on the quotation submitted where so required by the Ithala SOC (Ltd); and the tenderer was not involved in the drafting of the specifications or terms of reference for this quotation.
- 3.5. 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.
- 3.6 The tenderer or any of its directors is / are not listed on the National Treasury's Register of Tender Defaulters or the Database of Restricted Suppliers, have not been convicted by a court of law for fraud and corruption during the past five years, have not had any contract between the bidder and any organ of state being terminated during the past five years on account of failure to perform on or comply with the contract

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

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

I ACCEPT THAT ITHALA SOC (LTD) MAY REJECT THIS QUOTATION OR ACT AGAINST ME IN TERMS OF ITS SCM POLICY SHOULD THIS DECLARATION PROVE TO BE FALSE.

Signature

Date

Position

Name of Bidder

D. PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017 **SBD 6.1**

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/not exceed R50 000 000 (all applicable taxes included) and therefore the preference point system shall be applicable; or
- b) Either the 80/20 or 90/10 preference point system will be applicable to this tender (*delete whichever is not applicable for this tender*).

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	
B-BBEE STATUS LEVEL OF CONTRIBUTOR	
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;

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"/>
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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	<input type="checkbox"/>	NO	<input type="checkbox"/>
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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 last 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		
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>
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<p>..... SIGNATURE(S) OF BIDDERS(S)</p> <p>DATE:</p> <p>ADDRESS</p> <p>.....</p> <p>.....</p>

E. TERMS AND CONDITIONS FOR PURCHASE AND SALE OF GOODS ONCE OFF TRANSACTION

(These Terms are to accompany the ToR/ RFP/RFQ)

1. APPLICATION

These Terms and Conditions of Sale (“the Terms”) shall apply to the purchase of goods and ancillary services (collectively referred to as the “Goods”) by the Service Provider (“Service Provider”) and the Institution (“Institution”), each of which is identified in the accompanying quotation or proposal. These Terms, Product Specification, the Request for Proposal/Quotation, Service Provider’s bid or quotation proposal, the Purchase Order as well as any other written Special Conditions of Contract signed by the Parties shall comprises the entire agreement between the parties (collectively, the “Agreement”). The Service Provider accepts these Terms by signing and returning these Terms to the Institution together with its quotation or proposal.

2. RELATIONSHIP OF PARTIES

Nothing contained in these Terms shall be construed as establishing or implying any partnership or joint venture between the parties and nothing in these Terms shall be deemed to construe either of the parties as the agent of the other.

3. PRODUCT DESCRIPTION

The product description shall be as provided for in the Specifications or the Service Provider’s proposal as accepted by the Institution.

4. DELIVERY

Delivery of the Goods shall take place and date as agreed to by the Parties. The order and delivery of such Goods as well as any further conditions of delivery shall be reduced to writing and shall form part of this Agreement. The Institution shall make all arrangements necessary to take delivery of the Goods whenever they are tendered for delivery. Any damages, shortages, over deliveries and duplicated orders shall be reported to the Service Provider

5. INSPECTION AND REJECTION OF GOODS

“Nonconforming Goods” means only the following: (i) the items delivered are different from those identified and specified in Institution’s purchase order; or (ii) the labels or packaging of the items incorrectly identifies them. The Institution shall refuse to accept delivery where it is immediately clear that the Goods delivered are Nonconforming Goods. Where it is not

immediately clear that the Goods delivered are Nonconforming Goods, the Institution shall have 7 (seven) days following receipt of the said Goods within which to inspect them (the “Inspection Period”). The Goods will be deemed accepted at the end of the Inspection Period unless the Institution notifies Service Provider in writing of any Nonconforming Goods. The Service Provider shall replace the Nonconforming Goods within 14 (fourteen) days of receipt of notice or credit or refund the purchase price for the Nonconforming Goods, together with any reasonable expense that may have been incurred by the Institution. The Service Provider shall collect the Goods from the possession of the Institution within 14 (fourteen) days from the date of notification of the Nonconforming Goods. At Service Provider’s request, Institution will dispose of the Nonconforming Goods or return the Nonconforming Goods to Service Provider at Service Provider’s expense. The Service Provider’s failure to comply with the provisions of this shall result in breach of this contract in terms of clause 14. Notwithstanding the foregoing, Service Provider will have no obligation under this section or otherwise with respect to any infringement claim based upon any: (i) misuse or modification of the Goods by Institution or its employees or agents, (ii) use of the Goods in combination with other materials, goods or services for which the Goods were not intended to be used, (iii) failure of Institution to implement any update provided by Service Provider that would have prevented the claim, (iv) Goods that Service Provider made to Institution’s specifications or designs.

6. RISK

All risks in the Goods shall pass to the Institution at delivery upon receipt and signing off of the Goods within reasonable time of signed receipt. The Service Provider shall collect all over deliveries and replace all damaged Goods as well as outstanding Goods or refund the Institution.

7. LIMITED WARRANTY

The Service Provider warrants to Institution that the Goods will be free from defects in material and workmanship for a period of _____ following the date of delivery to the Delivery Location (the “Warranty Period”) or the period of the manufacturers’ warranty, whichever is longer. If prior to the expiration of the Warranty Period, the Institution informs Service Provider in writing of any breach of this limited warranty, Service Provider may repair or replace the Goods that gave rise to the breach or refund the full amounts that Institution paid for the Goods. Service Provider does not warrant the Goods, or any repaired or replacement parts, against

normal wear and tear or corrosion. The Institution shall provide the Service Provider with a reasonable opportunity to examine the Goods and the sales records and the Service Provider shall, in the absence of any unauthorized modification or repair of the Goods, including without limitation the removal or alternation of any serial numbers or warranty date decals replace, refund or repair the Goods. The Service Provider shall defend, indemnify, and hold harmless the Institution and its subsidiaries, affiliates, successors, and assigns and their respective directors, officers, shareholders, and employees from and against any Claims arising out of or occurring in connection with the negligence or willful misconduct of Service Provider or its employees or agents.

8. INFRINGEMENT

The Service Provider shall defend, at its own expense, any action against the Institution brought by a third party to the extent that the action is based upon a claim that the Goods infringe on any patents or copyrights, or misappropriate any trade secrets, of a third party. The Service Provider shall pay those costs and damages finally awarded against the Institution on any actions that are specifically applicable to the claim or those costs and damages agreed to in a monetary settlement of the actions. The foregoing obligations are conditioned on Institution (i) notifying Service Provider promptly in writing of the action, (ii) making no admission of liability and giving Service Provider sole control of the defence thereof and any related claim, Service Provider shall, at its option and expense, either (i) procure for Institution the right to continue using the Goods, (ii) replace or modify the Goods so that they become noninfringing, or (iii) accept return of the Goods and refund Institution the amounts actually paid by Institution to Service Provider for the Goods.

9. PRICE AND PAYMENT

The price payable to the Service Provider for the Goods shall be as described in the Purchase Order and shall be inclusive of all applicable taxes and cost. The price payable as referred to herein shall not be adjusted for any reason unless as agreed to in writing between the parties. The Institution shall pay all proper invoices received from the Service Provider and approved by both Parties, within 30 (thirty) calendar days of receipt and approval of invoices thereof. The Service Provider may charge interest on overdue invoices from the date when payment becomes due at the Prime Rate compounded monthly from time to time, as used by the South African Reserve Bank.

10. FORCE MAJEURE

The Parties shall not be liable for any delay or failure to perform any of its obligations if the delay or failure results from events or circumstances outside its reasonable control, including but not limited to acts of God, strikes, lock outs, accidents, war, fire, breakdown of plant or machinery or shortage or unavailability of raw materials from a natural source of supply, and the Parties shall be entitled to a reasonable extension of their obligations. If the delay on the part of the Service Provider persists for a period of more than 60 (sixty) days, the Institution has the discretion to either (i) procure the Goods not readily available from the Service Provider from a 3rd party without terminating this Agreement and being liable to the Service Provider for the portion of the Goods as procured from the 3rd party or (ii) terminate this Agreement.

11. TERMINATION OF AGREEMENT

This Agreement will terminate under the following circumstances: (i) in terms of the provisions of clause 14 or (ii) after delivery of the Goods provided that the Goods are not returned to the Service Provider in terms of the provisions of these Terms. In the event that the delivery of the Goods will be more than once, the Agreement shall terminate on the settlement negotiations, and (iii) cooperating and, at Service Provider's request and expense, assisting in the defence. If the Goods become, or in Service Provider's opinion are likely to become, the subject of an infringement Agreement shall only terminate after delivery of the correct Goods or replaced Goods on the date agreed to with the Institution. Should the Service Provider not deliver the correct Goods within the time agreed to by the Parties, the Service Provider shall be deemed to be in breach of this Agreement in terms of the provisions of clause 14. The Client will settle all undisputed outstanding invoices of the Service Provider within 30 (thirty) working days of the date of termination of Agreement. pursuant to this Agreement, to either enforce specific performance or terminate the Agreement (with a 14 (fourteen) day's written notice of termination) and/or claim damages.

12. SUB-CONTRACTING

The Service Provider shall not subcontract its obligations in terms of this Agreement to any 3rd party without the prior written consent of the Institution.

13. CANCELLATION OF ORDER

Cancellation or modifications of all or part of any order are subject to Service Provider's cancellation policy or as agreed to by the Parties in writing. The

Institution shall be liable for the Service Provider's direct damages incurred as a result of the cancellation or modification of an order that does not comply with the Service Provider's cancellation policy which shall be provided to the Institution in advance together with the Service Provider's bid proposal or quotation.

Signed on _____ day of
_____ 202_____

By the Service Provider Representative:

14. BREACH

Either Party shall be in breach of this Agreement if it fails to comply with any of its obligations in terms of this Agreement and having been given 14 (fourteen) calendar day's written notice to remedy such non-compliance. The Service Provider shall be in breach of this Agreement if it-; (a) fails to comply with the prescribed licensing requirements, and/or if it fails to comply with any date of the last delivery, provided the Goods are not returned to the Service Provider in terms of the provisions of this Agreement. In the event that the Goods are returned, the compromise or make such assignment with, its creditors; or (d) without the prior written consent to the Institution, undergoes a change in shareholding or members interest so that a new person owns the majority of its voting share capital or members interest; or Either Party shall, in any instance of breach, be entitled, in addition and without prejudice to any other right it may have in law.

Signature

Full Name and Surname

Signature of Witness

Full Name and Surname of Witness

15. ENTIRE AGREEMENT

These Terms together with its annexures (as contemplated in clause 1) constitutes the whole agreement between the Parties and no term or condition relating to the subject matter of this Agreement not incorporated in this Agreement shall be binding on any of the Parties. This Agreement supersedes all and any agreements between the Parties on the subject matter.

16. CESSION AND ASSIGNMENT

Neither Party shall cede in whole or in part, any of its obligations under the Agreement, except with the other Party's prior written consent. Neither Party shall assign, in whole or in part, any of its obligations under the Agreement.

17. GOVERNING LAW

This Agreement will be governed by, and construed in accordance with, the laws of the Republic of South Africa and all disputes, actions and other matters relating thereto will be determined in accordance with such laws.