



**APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE  
PROPERTY MANAGEMENT SERVICES FOR NORTH WEST  
HOUSING CORPORATION AT MATLOSANA COMMUNITY  
RESIDENTIAL UNITS(CRU) FOR A PERIOD OF 36 MONTHS.**

**TENDER NUMBER: NWHC 04/2023**

**CLOSING DATE: 26 MAY 2023**

**CLOSING TIME: 11H00**

**NAME OF BIDDER : .....**

**CONTACT PERSON : .....**

**ADDRESS OF BIDDER: .....**

.....

**TEL NUMBER : (.....) .....**

**EMAIL : .....**

**CSD NUMBER : .....**

**BBBEE LEVEL : .....**

<b>ISSUED BY:</b>
<b>SUPPLY CHAIN MANAGEMENT</b>
<b>NORTH WEST HOUSING CORPORATION</b>
<b>23 FIRST STREET</b>
<b>SEGARONA BUILDING</b>
<b>INDUSTRIAL SITE, MAFIKENG</b>
<b>2745</b>
<b>TEL: [018] 110 0761</b>



## INVITATION TO BID

**NWHC 04/2023: APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE PROPERTY MANAGEMENT SERVICES FOR NORTH WEST HOUSING CORPORATION AT MATLOSANA COMMUNITY RESIDENTIAL UNITS IN KLERKSDORP FOR A PERIOD OF 36 MONTHS.**

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1. Service providers are hereby invited to submit proposals for Appointment of service provider to provide property management services for North West Housing Corporation at Matlosana Community Residential Units for a period of 36 months.
2. The conditions contained in the General Conditions of Contract (GCC) and the attached bid forms, as well as any other condition accompanying this invitation are applicable.
3. The bidder proposal must be clearly outlined, specified and terms must not conflict with those contained in the General Conditions of Contract.
4. All the documents accompanying this invitation must be completed and signed in ink where applicable by a duly authorised official, be sealed in an envelope or suitable cover marked **NWHC 04/2023** and be deposited / placed in a bid box at North-West Housing Corporation Head Office, Segarona Building, No.23 First Street, Industrial Site, Mafikeng.
5. This tender will close on **Friday, 26<sup>th</sup> May 2023 at 11H00.**
6. All enquiries pertaining specifications / SCM related can be directed to Mr L. Makwati at (018) 110 0872 or Mr Kamogelo Segapo (018) 018 381 5029 (Technical).
7. **Bid documents can be downloaded from E-tender portal publication ([www.etenders.gov.za](http://www.etenders.gov.za)) or [www.nwhc.co.za](http://www.nwhc.co.za)**
8. Faxed, emailed bids will not be considered, only hand delivered bids will be accepted.
9. **NWHC** reserves the right to award any proposal in whole or in part to one or more service providers and does not bind itself to award the lowest bidder.

## **10. CONDITIONS TO BID:**

**This bid is used under the condition that the bidder should at any stage during the production or execution or on completion of the bid be subjected to inspection. The premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by the representative of NWHC or organization acting on behalf of NWHC. The bidder shall provide, if required all required facilities for inspections, tests, and analysis of the available apparatus, which may be required for the purpose of such inspection, test and analysis free of charge unless otherwise specified. The bidder also agrees that the financial standing may be examined as part of the inspection.**

**The bid will be awarded subject to the parties signing a Service Level Agreement (SLA).**

## **11. MANDATORY REQUIREMENTS**

- 11.1. All bidders must actively be registered on the National Treasury Central Supplier Database (CSD).
- 11.2. All Bidders employed by the state are not allowed to participate on this bid
- 11.3. All bidders who are restricted in terms of National Treasury list are not allowed to participate on this bid

## **12. SUBMISSION OF BIDS**

Bidders must submit the bid in hard copy format (original documents) to 23 First Street, Industrial Site, Mafikeng, 2745 before the closing date and time. All the relevant forms attached to this bid document must be completed and signed in ink where applicable by a duly authorized official.

The Hard copy of the bid response will serve as the legal bid document. Late bids will not be considered. Please note that bids are late if they are received at the address given in the bid document after bid closing date and time.

### **13. LATE BIDS**

Bids received after the closing date and time, at the address indicated above will not be accepted for consideration.

### **14. BID VALIDITY PERIOD**

Bids will be valid for a period of 90 days from the closing date.

### **15. VALUE ADDED TAX (VAT)**

All bids' prices must be quoted in South African currency and must be VAT inclusive where applicable. All bidding vendors must have a VALID bank account.

### **16. TAX CLEARANCE REQUIREMENTS**

The Central Supplier Database (CSD) and the Tax compliance Pin are the only two methods approved of verifying the tax compliance status of the bidder therefore only the CSD and the tax compliance pin will be accepted for this bid.

### **17. B-BBEE**

Bidders are required to complete the preference claim form (SBD 6.1) and submit their original and valid B-BBEE status level verification certificate or a certified copy thereof to claim the B-BBEE status level points. The points scored by a bidder in respect of the level of B-BBEE contribution will be added to the points scored for price.

The State may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made regarding preference.

In the event that two or more bids have scored equal points, the contract will be awarded to the bidder scoring the highest number of preference points for B-BBEE. Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

### **18. COMPANY REGISTRATION DOCUMENTS**

A copy of registration certificate, where applicable, indicating names and percentages of shareholders and shareholding (equity) respectively, must be attached.

## **19. IDENTITY DOCUMENTS**

Recently certified (not older than three months) copies of Identity Document for all shareholders must be included.

## **20. JOINT VENTURE**

In the event of a joint venture both entities must submit valid Tax clearance certificate, company registration where applicable and certified copies of Identity Documents. A joint venture agreement endorsed by both parties and attested by the Commissioner of Oath must also be attached. Bidders are required to submit a consolidated B-BBEE status level verification certificate in the joint venture not being scored for B-BBEE status level.

## **21. BID ENQUIRIES**

Supply Chain Management Enquiries

Mr. F L Makwati

(018) 110 0761

[flmakwati@nwhc.co.za](mailto:flmakwati@nwhc.co.za)

Technical Enquiries

Ms. Jane Motshegwe

(018) 381 5029

[lmotshegwe@nwhc.co.za](mailto:lmotshegwe@nwhc.co.za)

## **STATUTORY NON-TECHNICAL MANDATORY REQUIREMENTS**

- Company Registration Documents (CIPC)
- List of all shareholders / directors with Original certified copies of their IDs (no older than 6 months from the tender closing date)
- Companies must be registered on the CSD (Attach Proof of Central Supplier Database (CSD) registration)
- Duly completed and signed SBD 1 Invitation to bid.
- Duly completed and signed SBD 4 Bidder's Disclosure
- Duly completed and signed SBD 6.1 PPPFA regulations claim form.
- Joint Venture Agreement signed by all parties (where JV is in use) and submit copies of company documentation for each party.

- Tax Compliance Status Letter with a unique pin
- Attach B-BBEE certificate or sworn affidavit B-BBE certificate (B-BBEE Status Level of Contribution. Certified copy of a B-BBEE certificate issued by a SANAS accredited agency or a sworn affidavit in the prescribed format by the National Treasury for EMEs and QSEs or BBEE certificate issued by the Companies and Intellectual Property Commission will be accepted. Service Providers that fail to submit BBEE credentials shall NOT be allocated preference points in line with the PPPF-Act regulations of 2017).
- Detailed financial proposal for the specified development.

**PLEASE ENSURE THAT THE FOLLOWING DOCUMENTS ARE COMPLETED AND SIGNED:**

- SBD 1: Invitation of bid
- Terms of Reference
- SBD 2: Tax clearance requirements
- SBD 3.3: Pricing schedule – offer to Purchase.
- SBD 4: Declaration of Interest
- SBD 6.1: Preferential point claim form in terms of the Preferential Procurement Regulation 2022
- General Conditions of Contract

**NB: SHOULD ALL DOCUMENTS STATED ABOVE NOT BE ATTACHED, FULLY COMPLETED AND DULY SIGNED BY A DESIGNATED PERSON, YOUR BID WILL BE DECLARED INVALID.**

## DOCUMENTS REQUIRED

Documents required for this BID	Comments	Submitted (Yes / No)
<b>Mandatory Documents</b>		
Central Supplier Database (CSD) Summary Report	Info provided will be validated during the evaluation stage & failure to meet CSD requirements Tax Status will lead to disqualification	
SBD 1 (Invitation to Bid)	Make sure it is completed and signed	
SBD 2 (Tax Pin) – Tax Status	TAX STATUS – TCS PIN/CSD Report with valid tax status	
SBD 3 (Pricing Schedule)	Filled and signed – ZAR currency only	
SBD 4 (Declaration of Interest)	Make sure it is completed and signed	
SBD 6.1 (Preferential Points Claim Form)		
<p><b>Tenderers other than EMEs</b> should submit:</p> <p>(1) Valid B-BBEE certificate (only B-BBEE Status Level verification certificates from B-BBEE verification agencies accredited by SANAS with BVA number will be accepted) OR.</p> <p>(2) QSE is less than 51% black owned must submit Valid B-BBEE Certificate (issued by an agency accredited by SANAS).</p> <p>(3) In case of a trust, consortium, or joint venture a Valid Consolidated B-BBEE Status Level Verification Certificate from B-BBEE verification agencies accredited by SANAS must be submitted.</p> <p><b>Tenderers who qualify as EMEs</b> should submit:</p> <p>(4) Valid sworn affidavit issued by the DTI (Valid sworn affidavit must comply with the Justices of the Peace and Commissioners of Oaths Act), OR.</p> <p>(5) B-BBEE certificate issued by the Companies and Intellectual Property Commission.</p>	Failure on the part of a bidder to fully complete and sign this form and submit a Valid B-BBEE Certificate as outlined or Affidavit together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed and the bidder will be allocated zero (0) points for B-BBEE	
Undertakings by service provider in respect of this bid	Make sure it is completed and signed	
<p>Certified Copy of Board Resolution or Company Power of Attorney, authorising the person signing this bid response.</p> <p>In addition, Consent by Supplier (As per POPI ACT):</p> <p>To authorize NWHC to validate the submitted documents with respective bodies to ensure the validity of supplied documents must be included on the board resolution</p>	Make sure it is provided	

### BIDDERS TO ENSURE THAT THEY COMPLY WITH THE BELOW REQUIREMENTS:

1. **Bid Documents must be completed with ink pen or typed. No correction pen is allowed. All changes must be scratched out and a signature appended next to each change.**
2. **All certified documents must be within the current three (3) months.**
3. **Bid documents must be secured together preferably bound or contained in a lever arch file as North West Housing Corporation will not take any responsibility for any loss of documents as a result of not being properly secured upon submission**

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**A1.****TERMS AND CONDITIONS FOR BIDDING****1. Bid Submission:**

- 1.1. The North West Housing Corporation as NWHC considers this tender and all related information, either written or verbal, which is provided to the respondent, to be proprietary to NWHC. All information contained in any subsequent documentation shall be marked "COMPANY CONFIDENTIAL".
- 1.2. Bids must be delivered by the stipulated time to the correct address. Late bids will not be accepted.
- 1.3. **All bids must be submitted on the official forms provided (not to be re-typed) or in the manner prescribed in the bid document.**
- 1.4. All the documentation submitted in response to this invitation to bid must be in English.
- 1.5. The service provider should verify the numbers of the pages of this document to satisfy themselves that none are missing or duplicated. No liability will be accepted by NWHC regarding anything arising from the fact that pages are missing or duplicated.
- 1.6. **Please make proper division and reference/index your bid document and bid supporting documents attached.**
- 1.7. **Tender** responses should be submitted as follows:  
**1 HARD COPY** in a sealed envelope/package endorsed, "**NWHC 04/2023**", with the service provider's details on the back of the envelope or on the front. The sealed envelope/package must be placed in the bid box at the SCM Unit, NWHC, 23 First Street, Segarona Building, Industrial Site, Mahikeng, 2745, **by the closing date and time.**
- 1.8. **The closing date, company name and the return address must also be endorsed on the back of the properly sealed envelope (or side of a properly sealed package).** If a courier service company is being used for delivery of the bid document, the bid description must be endorsed on the delivery note/courier packaging to ensure that documents are delivered into the NWHC's Bid Box. The courier must accept responsibility for ensuring that the bid documents are properly deposited into the bid box and the NWHC accepts no responsibilities in this regard.
- 1.9. All bid documents must be submitted in hard copy in the bid box. Where a bid document is not in the bid box at the time of the bid closing, such a bid document will be regarded as a late bid. **Late bids OR BID DOCUMENTS NOT PROPERLY SEALED will not be considered.**
- 1.10. Amended bids may be made, in an envelope clearly marked "Amendment to bid no "**NWHC 04/2023**", to represent the original document as the "replacement bid" and should be placed in the bid box before the closing date and time. An amendment bid without original bid documents deposited in the NWHC's Bid Box will not be considered. In such a case, only the amended bid document will be assessed per the bid criteria of this tender bid request. Under no circumstances will the NWHC be using or can the service provider rely on any information as contained in the original bid documents, once replaced.
- 1.11. The service provider is responsible for all the costs that they might incur related to the preparation and submission of the bid document.

- 1.12 NWHC reserves the right not to accept the lowest bid price of any bid in part or whole. It normally awards the contract to the service provider who proves to be fully capable of handling the contract in terms of outputs and services that are advantageous to the aims, goals, and objectives of the NWHC.
- 1.13 NWHC also reserves the right to award to a company that is BBBEE (Broad Based Black Economic Empowerment) compliant or may award this bid on the conditions that a joint venture with an empowerment company is formed. This may be added to the criteria when evaluating the bids.
- 1.14 NWHC also reserves the right to cancel or award this bid as a whole or in part based on the Preferential Procurement Regulation, 2017 paragraph 13.
- 1.15 NWHC reserves the right, at its sole discretion, not to award or consider bidders with (or who had) litigation against the NWHC or have been blocked for poor performance on the NWHC's vendor database.
- 1.15 This bid is subject to the Preferential Procurement Policy Framework act, 2000 and the Preferential Procurement Regulations, the General Conditions of Contract (GCC) and, if applicable, any other special conditions of the contract.
- 1.16 Responses to this tender received from a service provider will be valid for 120 days counted from the closing date of the tender.
- 1.17 **The successful bidder will be required to fill in and sign a written contract form (SBD7).**
- 1.18 Respondents are to note that the Local Content commitments made by the successful respondent(s) will be incorporated as a term of the contract and monitored for compliance. Should the successful Respondent fail to meet its Local Content obligations, non-compliance penalties shall be applicable. Breach of Local Content obligation also provide NWHC cause to terminate the contract in certain cases where material non-compliance with Local Content requirements is not achieved.

## 2. Tax Compliance Requirements

- 2.1 Bidders must ensure compliance with their tax obligations.
- 2 Bidders are required to submit their unique Personal Identification Number (pin) issued by SARS to enable the organ of state to verify the taxpayer's profile and tax status.
- 2.3 Application for Tax Compliance Status (TCS) pin may be made via e-filing through the SARS website [www.sars.gov.za](http://www.sars.gov.za).
- 2.4 In bids where consortia / joint ventures / sub-contractors are involved; each party must submit a separate TCS pin / CSD number.
- 2.5 In terms of Regulation 13 (c) of the Public Service Regulations., which read as follows "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 in the service of the state".

## 3. Evaluation Process

- 3.1 The bid will be evaluated in terms of the evaluation criteria stipulated in the tender documentation.
- 3.2 This bid will also be evaluated in terms of the following stages:
  - a) Administration criteria
  - b) Evaluation for mandatory (compliance) criteria
  - c) Evaluation in terms of functionality if part of the tender
  - d) Evaluation in terms of 80/20 preference point system

**NB: Failure to provide or comply with any of the above particulars may render the bid invalid.**

**DECLARATION**

I/we, the undersigned, acknowledge that the information furnished above is true and correct.

\_\_\_\_\_  
**Signature of Authorised Representative**

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

## **A2. TERMS OF REFERENCE AND SCOPE OF WORK**

### **1. BACKGROUND**

The North West Housing Corporation (NWHC) is a legal entity established in terms of the North West Housing Corporation Act No. 24 of 1982 and it is classified as a Schedule 3 (c) public entity, in terms of the Public Finance Management Act No. 1 of 1999.

The NWHC exists to provide and further the provision of Housing, Shelter and Accommodation to Low-income Communities.

#### **1.1. Vision**

A preferred provider of accommodation and shelter.

#### **1.2. Mission**

To provide integrated, sustainable shelter and property solutions.

#### **1.3. Values**

The NWHC's staff aligns their behaviour to the company's shared values as listed below, which support, and is informed by, the organisation's vision and mission:

- Respect for others
- Professionalism
- Innovation
- Efficiency and effectiveness
- Ethical conduct
- Accountability
- Transparency

## 2. BACKGROUND TO THE TENDER

### 2.1 INTRODUCTION

The property is a group of 7X blocks of flats on the adjacent northern part of Klerksdorp Shell Ultra City.

These are fully let double storey buildings with open parking with lawns and children parks in between, situated at Freemanville, Klerksdorp, 2571.

There are 99 Flats ranging

A suitable service provider to carry out property management services for the building is sought in alignment with the Property Practitioners Act, 2019.

### 2.2 SCOPE OF WORK

The successful bidder shall focus on the provision of professional portfolio-based Property Management Services in line with commercial best practices.

Without limiting the generality of the foregoing, the appointee will be responsible and shall be required to attend to:

- a. Property portfolio management through planned building life cycle maintenance
- b. Utilities management and payment of regional council levies (*affiliated Professional Property Management body*)
- c. Tenant recruitment and management
- d. Leasing and Lease Management
- e. **Collection of rentals, rental deposits, and other contributions pursuant to the lease**
- f. **Transfer money collected over to NWHC no later than the 07 day of each month.**
- g. Make a new payment arrangement with the City of Matlosana for municipal services and continuously make monthly payments towards this arrangement. This will exclude Municipal Rates and Taxes.
- h. Tenant liaison and attending to tenant requirements
- i. Appointment and management of relevant SLA's
- j. Building/ Property Repairs and Maintenance
- k. Security services for the property
- l. Soft services viz.,
  - Cleaning & Gardening Services (*effective from January 2024 after conclusion of the current contract*)
  - Hygiene Services
- m. Arranging and supervising the cleaning of the property and surrounding areas
- n. Parking management
- o. Provision of monthly and ad hoc management information and reports for decision-making purposes
- p. Ensure compliance with relevant legislation and regulations such as occupational Safety,
- q. Health and Environmental Act, Building Regulations, etc.

- r. Liaison with the City of Matlosana

All services shall be performed in accordance with the Service Level Agreement to be concluded.

The successful service provider will provide services and deliverables in the scope of works as outlined above but not limited to as detailed below:

#### **2.2.2 Property Portfolio Management**

- a. Manage the property portfolio to maximize the performance of such portfolio and in addition to procure the performance of all such administrative and accounting functions.
- b. Effect such authorized capital expenditure as may be necessary to maintain the property portfolio.
- c. Recommend letting policies and leasing terms as required by prevailing market conditions in accordance with objectives for the property portfolio
- d. Conduct research into prevailing rental rates and leasing terms offered in localities where the property portfolio is represented and comparative localities and research of general market conditions prevailing in such localities as and when requested by the customer
- e. Attend to general research into the state and relative investment merits of the various segments of the property market
- f. The service provider shall prepare a budget of total anticipated income and expenditure in respect of the property portfolio for the following twelve-month period together with forward projections in a format acceptable to the customer requirements.
- g. Ensuring that recovery of the utilities (water and electricity) is aligned to the customer's actual bill from the city of Matlosana and that metering's are done
- h. Liaison with local and other authorities
- i. Payment of the regional council levies (*affiliated Professional Property Management body*)
- j. Collecting and paying over any VAT amounts

#### **2.2.3 Tenant Recruitment**

- a. Recruitment of tenants in line with the strategic development approach of the NWHC for Residential space
- b. The preparation and implementation of approved marketing strategies for vacant Residential spaces
- c. Advising concerning tenant mixes and the location of premises to be utilized for specific purposes
- d. Submission of tenant offers to lease for consideration and acceptance

#### **2.2.4 Leasing and Lease Management**

- a. Negotiate and close lease agreements timeously
- b. Determine the credit worthiness of those prospective tenants and obtain such other information as may be relevant to the suitability of that prospective tenant as a tenant of the respective premises.
- c. Obtain written applications to lease from such tenants
- d. Finalize negotiations with such prospective tenants

- e. Prepare written leases for prospective tenants' sustainability in the form of the standard terms of the lease upon such further terms and conditions as may be acceptable to the NWHC
- f. Generally, administer the leases on behalf of the NWHC
- g. Ensure that all renewals and new leases meet the projected income
- h. Withhold access to the premises until the tenant has provided the manager with a signed lease agreement and adequate sureties/ deposit/ guarantees in respect of the premises
- i. Record keeping of all leases both electronically and hard copies
- j. Make sure that all rented space is accounted for
- k. Review and update leases as required
- l. Reconciliations
- m. Implement a professional management system to facilitate effective and efficient leasing management service and reporting as per customer requirements

#### **2.2.5 Rental Roll**

- a. Accurate calculation and capturing of current lease rates
- b. Rent roll to tie in with the rentable residential space
- c. Monthly report on the status and variances
- d. Manage collections of rental, deposits, and other contributions according to the lease
- e. The refund of rental deposits to the tenants as and when they fall due in compliance with the deposit conditions
- f. Compile related accounting reports as required such as annual lease smoothing, property valuation, etc.

#### **2.2.6 Building/ Property Maintenance**

- a. The appointment and management of contractors, negotiations and finalization of all service provider contracts and/ or service level agreements.
- b. Tenant liaison and attending to tenants' requirements
- c. Arranging maintenance and preventative maintenance (including but not limited to fire control measures) and submitting such proposals to the NWHC for review and approval prior to implementation.
- d. Ensure the building and all service providers are compliant with the Occupational Health and Safety Act, including such maintenance of fire equipment and air-conditioning systems in common areas of the premises.
- e. Arrange for parking bay signage for tenants as per their lease agreements where applicable
- f. Make provision for parking management solutions, emergency services and other utility services such as plumbing, electrical, aircon maintenance and lift maintenance services

### **2.2.7 Debt Management**

- a. Manage bad debts effectively and efficiently
- b. Advise the customer on ways to control bad debts
- c. Formulate and execute a strategy to address bad debts

### **2.2.8 Arrears Management**

- a. Collections to be effective and efficient
- b. Enforcement of the payment date

### **2.2.9 Legal Process**

- a. Liaison with attorneys and supervision of legal actions. Such activities are to be reported quarterly and/ or at intervals to be agreed upon
- b. Management of legal processes to optimize recoveries and minimize losses

### **2.2.10 Tenant Installations**

- a. Manage and supervise tenant installations
- b. All installations are to be negotiated strictly at the entry point
- c. Installations/refurbishing should match the maintained standards on site and must be approved in conjunction with the NWHC Facilities Manager.

### **2.2.11 Leasing Policies and Procedures**

- a. Update and develop new leasing policies in consultation with NWHC as and when required e.g.:
  - Lease agreement and documentation
  - Conditions of leased premises and a variety of other relevant policies
  - Occupancy-related procedures and processes
  - Legal compliance, documentation, and procedures
- b. Ensure that company policies and procedures are consistently applied to warrant compliance

### **2.2.12 Performance Management**

- a. Establishing all necessary management and control systems
- b. Ensure that the value of the properties is maximized, and operating costs reduced.
- c. Ensure that the tenants can operate effectively and efficiently
- d. Maintain high client satisfaction levels in terms of competitive service

### **2.2.13 Reporting requirements**

- a. A monthly operating statement, including rentals and other revenues received and expenses incurred
- b. An annual operating plan to be submitted for review and approval by the NWHC, which plan shall set forth the proposed operations relating to the project for the next



succeeding calendar year, and

- c. An annual reconciliation of common area expenses and assessments
- d. Obtaining and checking turnover statements from tenants where applicable
- e. Presenting turnover statements and reporting thereon

#### **2.2.14 Bank Account**

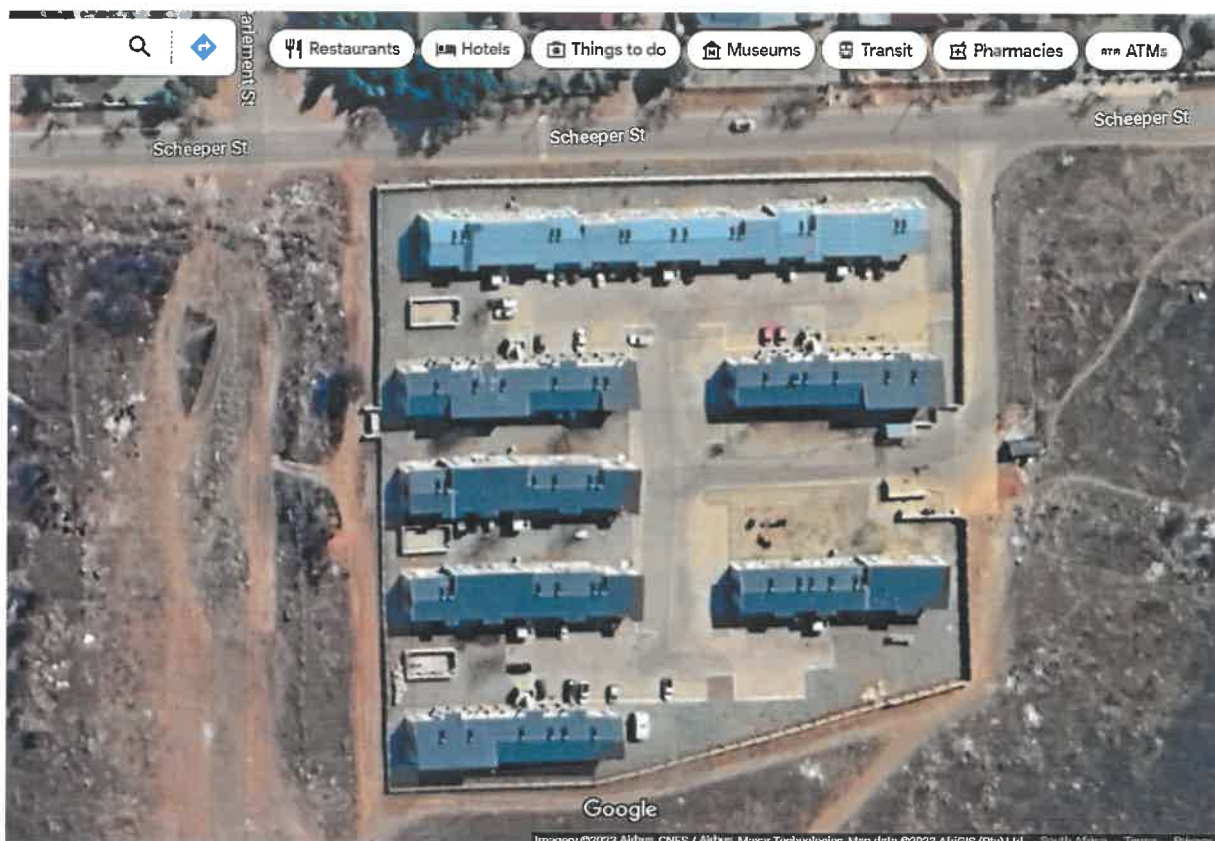
- a. Service provider shall be responsible to maintain account at a registered and compliant banking institution.
- b. As and when received, rental deposits, payment of rentals and other amounts paid to the service provider in the course of its management, control and administration of the property in a banking account maintained by the service provider in accordance with the provisions of the Property Practitioners Act 2019; remit the net amount due to the NWHC on or before the seventh calendar day of each month
- c. The provision of a detailed statement of account in respect of all income received and expenses paid by the service provider in the course of its management and administration of the property in respect of that month
- d. Monthly written management reports in the format agreed from time to time between the parties are to be submitted by the service provider. Such reports are to contain, inter alia, age analysis, income statements, legal proceedings, etc.

### **2.3 THE PROPERTY/ BUILDING DESCRIPTION**

The subject property consists of:

- a. The building consists of 2 floors (doublestorey) of rentable area and a minimum of 80 parking bays
  - (i) Batchelor Units (X12),
  - (ii) Single (1) Bedroom Units (X20) and
  - (iii) Double (2) Bedroom Units (X68)
- b. Multiple courtyards per block, adjacent Lawns, a Playground and enclosed Laundry areas per block

## Satellite view of the Matlosana CRU Flats



### 2.4 ESTIMATED MONTHLY RENTAL INCOME

- a. Rental income both Monthly and Annually could be estimated from the number of various units which are as reflected below:

Units	Number
(i) Batchelor Units	12
(ii) Single (1) Bedroom Units	20
(iii) Double (2) Bedroom Units	68

### 2.5 PROJECT DURATION

- b. The duration of the contract will be for a period of Thirty-Six (36) Months

### 2.6 REQUIREMENTS FROM POTENTIAL SERVICE PROVIDER

- A quotation in respect of all commission Fees.
- Propose a reasonable, market-related commission fee percentage on monthly rental to be collected.
- The service provider must reflect a detailed account of the Fees.
- Proof of Qualification, the experience of key personnel and registration with recognized bodies in South Africa

- e. Propose letting commission, drafting of the lease, renewal of the existing lease, etc.
- f. Proof of company registration with the relevant professional bodies
- g. Fidelity Fund certificate (FFC)
- h. The detailed Property Management Plan
- i. Site-specific Organogram of personnel
- j. Company profile
- k. Previous experience of similar projects undertaken (written references with full details of clients)
- l. The service will be required for a thirty-six (36) month period.

## 2.7 SPECIAL CONDITIONS

- a. A Service Level Agreement is to be concluded with the successful bidder.
- b. The service provider is required to offer a reasonable, market-related commission fee percentage on rental collected every month. The commission percentage due to the service provider is based on the total amount of rental collected by the service provider.
- c. Reasonable rent charged and any other services which may be deemed relevant.
- d. Potential service providers to familiarize themselves with the property before submission of quotation.

## 2.8 REQUIREMENTS SUMMARY

- a. The bidder is required to compile a comprehensive proposal as detailed above on the tender scope and should take note of the evaluation criteria
- b. The successful bidder will be required to submit as part of the bid a project **Implementation Methodology** in accordance with the scope of work and evaluation criteria
- c. Tenderers must be registered and in possession of a Fidelity Fund Certificate
- d. Joint Ventures are eligible to submit a tender proposal.

A properly structured and duly signed joint venture agreement with full CIPC details of the joint venture parties must accompany this bid – where applicable.

### A3. PRICING SCHEDULE AS PER SCOPE OF WORK – OVERALL PROJECT COST

Note: Only firm prices in South African Rand ('R') will be accepted.

#### OFFER TO BE VALID FOR THE DURATION OF THE PROJECT (CONTRACT PERIOD):

Detailed costing can be provided to substantiate the pricing schedule

Pricing Schedule					
Item	Description of Service	Rental Fee Collection Percentage %	Annual Cost	Annual Cost	Annual Cost
			Year 1 (A)	Year 2 (B)	Year 3 (C)
1	<b>Monthly Management Fee – (based on rent collected)</b>  Bidders to use the rental fee percentage and estimated annual rental amounts as per below for each year.	..... %	R	R	R
2	<b>Monthly Management Fee - (based on Facilities Management functions)</b>	<b>Fixed Fee</b>	R	R	R
<b>Total Annual Cost</b>			R	R	R
<b>Total Contract Cost (A+B+C)</b>			R		
<b>Add Vat @ 15%</b>			R		
<b>Total Contract Cost Incl. Vat</b>			R		

**NOTE:**

- All costs must be included on the Bid Price, including travel, subsistence, and all taxes where applicable, etc.
- **Important:** If there are any exclusions or added services, those must be clearly indicated.

\_\_\_\_\_  
**Signature of Service Provider**

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

**Detailed costing can be provided to substantiate the Pricing Schedule.**

**This pricing must refer to the proposed implementation plan.**

**B1.****EVALUATION CRITERIA OF OFFERS**

This bid will be evaluated based on functionality and other compliance criteria as outlined in this bid document and **qualifying bids will be further evaluated in terms of the 80/20 Preference Point System if less than R50 000 000** (20 allocated to BBBEE, 80 to price)

All bidders who score less than 70 points (which is 70 points out of 100 points) on functionality **will not** be considered further and will be regarded as having submitted a non-responsive bid and will be disqualified.

- 1.1. NWHC reserves the right to independently verify all supplied documents.
- 1.2. Any bid scoring less than the minimum required in any one or more of the above-mentioned evaluation criteria will not be evaluated further.
- 1.3. Any bid not covering all the above will not be evaluated.
- 1.4. For purpose of comparison and to ensure a meaningful evaluation, service providers are requested to furnish detailed information in substantiation of compliance to the evaluation criteria mentioned above.
- 1.5. BBBEE & Price will be evaluated as per the preference point system as outlined below.

**The bid will be evaluated in accordance with the following:**

- **Administration (Stage 1),**
- **Evaluation for mandatory (Stage 2),**
- **Functionality and Capability Requirements (Stage 3), and**
- **BBB-EE preferential points and Price (Stage 4).**

**Stage 2 - Evaluation for mandatory (compliance) criteria - Technical Compliance Requirements – all documents to be submitted**

<b>Evaluation for mandatory</b>	<b>Weighting</b>
➤ Valid Fidelity Fund Certificate (issued by the Estate Agency Affairs Board (EAAB) or Property Practitioners regulatory Authority)	Disqualified if not given
➤ A structured and duly signed joint venture agreement with full CIPC details of the joint venture parties – if applicable	Disqualified if not given (applicable to joint venture parties)
<b>Financial Standing</b> - Submission of any of the following, must not be older than 6 months on the closing date: <ul style="list-style-type: none"> <li>➤ Letter from the bidders appointed Accountant or,</li> <li>➤ CEO/Director certifying that the bidder is in a financially sound position.</li> </ul>	Disqualified if not given
<b>NB: NWHC reserve the right to request the Financial Statements.</b>	

## FRAMEWORK FOR TECHNICAL APPROACH AND METHODOLOGY

The NWHC will evaluate the bidder's understanding of the scope of works and site conditions. Bidders' response must be site specific:

### STAGE 3 - Functionality and Capability Requirements

**Table 1: Quality of submission in addressing criteria and sub-criteria**

FUNCTIONALITY & CAPABILITIES	TYPE OF SUPPORTING DOCUMENTS REQUIRED	MAXIMU M	SCORE	MINIMU M
<b>NB:</b> The bidder shall achieve a minimum score of 70 points under functionality to be able to be evaluated further on pricing & BBBEE as per preferential system.		100		70
<b>1. COMPANY EXPERIENCE</b>				
<p>The bidder to provide years of company experience rendering Property Management services to a multistorey/ multi tenanted building/s:</p> <p><b>Company Experience:</b></p> <ul style="list-style-type: none"> <li>Above 5 Years = <b>20 Points</b></li> <li>2 – 5 years = <b>10 Points</b></li> <li>0 - 1 Years = <b>0 Point</b></li> </ul>	Provide a detailed company profile outlining years rendering Property Management Services	20		
<b>2. TECHNICAL APPROACH</b>				
<p><b>Provide a Detailed Property Management Plan:</b></p> <ul style="list-style-type: none"> <li>Plan with five out of five requirements submitted = <b>25 Points</b></li> <li>Plan with four out of five requirements submitted = <b>20 Points</b></li> <li>Plan with three out of five requirements submitted = <b>15 Points</b></li> <li>Plan with two out of five requirements submitted = <b>10 Points</b></li> <li>Plan with one out of five requirements submitted = <b>5 Points</b></li> <li>No plan submitted = <b>0 Point</b></li> </ul>	Provide detailed property management plan outlining the following Five (5) requirements: A. rental collection, B. contracts management, C. stakeholder engagement, D. property management software, E. facilities management i.e., repairs and maintenance, cleaning etc	25		

<b>3. PROJECT TEAM</b>				
<p><b>Proposed project specific team organogram</b> with roles i.e., Portfolio Manager, Property Manager and Team Leader</p> <ul style="list-style-type: none"> <li>Organogram with personnel roles = <b>5 Points</b></li> <li>Nothing provided or incomplete = <b>0 Point</b></li> </ul>	<p>Project specific organogram with roles of each personnel</p>	<p><b>5</b></p>		
<p><b>Qualifications and Experience of the key staff</b></p> <p><b>A. Portfolio Manager or Property Manager with the following:</b></p> <ul style="list-style-type: none"> <li>Above 6 years Property Management Experience with a qualification minimum NQF L4 (i.e., Property Studies, Real Estate, Property Valuation, Facilities Management, Shopping Centre Management, Property Management or Equivalent) = <b>25 Points</b></li> <li>5 – 6 years Property Management Experience with a qualification minimum NQF L4 (i.e., Property Studies, Real Estate, Property Valuation, Facilities Management, Shopping Centre Management, Property Management or Equivalent) = <b>20 Points</b></li> <li>2 – 4 years Property Management Experience with a qualification minimum NQF L4 (i.e., Property Studies, Real Estate, Property Valuation, Facilities Management, Shopping Centre Management, Property Management or Equivalent) = <b>15 Points</b></li> <li>Below 2 years Property Management Experience with a qualification minimum NQF L4 (i.e., Property Studies, Real Estate, Property Valuation, Facilities Management, Shopping Centre Management, Property Management or Equivalent) = <b>0 Point</b></li> </ul> <p><b>B. Registration with SAFMA (South African Facilities Management Association) or IREM (Institute of Real Estate Management)</b></p> <ul style="list-style-type: none"> <li>Portfolio Manager/ Property Manager registered as AFP (Accredited Facilities Professional) or CPM (Certified Property Manager) Valid Certificate = <b>5 Points.</b></li> <li>No information provided = <b>0 Points</b></li> </ul>	<p>Attach Valid Certified qualifications, registrations or certificates (Not older than 6 Months)</p> <p>Attach detailed CV's indicating years of property management experience</p>	<p><b>30</b></p>		



<b>C. Company Client References</b>				
<p>Bidder's Property Management service to clients over the last 7 years (Past/ Current contracts):</p> <ul style="list-style-type: none"> <li>▪ More than 4 reference letters = <b>20 Points</b></li> <li>▪ 3 - 4 x reference letters = <b>15 Points</b></li> <li>▪ 1 - 2 x reference letter= <b>10 Points</b></li> <li>▪ No reference letter = <b>0 Points</b></li> </ul> <p><b>NB: Reference Letters to be in the following format:</b></p> <ul style="list-style-type: none"> <li>• Client's Company letter head</li> <li>• Client's Contactable details (e.g., Physical Address, Email, Telephone.)</li> <li>• Awarded Description/scope of the work</li> <li>• Awarded Value, Duration of the project</li> </ul>	<p>Referenc e letters are required.</p> <p>Contactabl e References</p>	<b>20</b>		
<b>TOTAL SCORE</b>		<b>100</b>	<b>70</b>	

**NB: The minimum threshold for the functionality evaluation is 70 points. The Tenderers that do not meet this minimum threshold will not proceed to the next stage of evaluation of the tender.**

**BBB-EE preferential points and Price (Stage 4).**

**1. 80/20 PREFERENCE POINT SYSTEM FOR TENDERS FOR INCOME-GENERATING CONTRACTS WITH A RAND VALUE EQUAL TO OR BELOW R50 MILLION**

- 1.1. The following formula must be used to calculate the points for price with respect to an invitation for tender for income-generating contracts with a rand value equal to or below R50 million inclusive of all applicable taxes.

Where:

Ps = Points scored for the price of tender under consideration

Pt = Price of tender under consideration

Pmax= Price of highest acceptable tender

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

A maximum of 20 points may be awarded to a tenderer for the specific goals specified in the tender as per paragraphs 9.2.-9.3.

- 1.2. The specific goals applicable to the Entity NWHC for all procurement transactions and income generating above R1,000,000 and up to R50,000,000 inclusive of all applicable taxes based on the 80/20 points system are:

#	Specific goals	Income-generating transactions Preference points allocated out of 20
1.	Enterprises owned by black people (must be included as a specific goal)	<b>Maximum 20 points</b> <ul style="list-style-type: none"> <li>100% Black ownership – <b>20 points</b></li> <li>Less than 100% and above 51% Black ownership – <b>10 points</b></li> <li>Less than 51% Black ownership – 0 points</li> </ul> <b>Proof of ownership must be verified by either one of the following documents:</b> <b>CIPC Certificate, Valid B-BBEE Certificate &amp; CSD report</b>

2.	Enterprise owned by women, youth, or military veterans, people living with disabilities	Not applicable
3.	Enterprise location	Not applicable

## **C1. UNDERTAKINGS BY SERVICE PROVIDER IN RESPECT OF THIS BID**

### **1. Definitions:**

- 1.1 **"The Board"** means the accounting authority of NWHC appointed by the Shareholder, GGDA.
- 1.2 **"Chief Executive Officer"** ["CEO"] means the CEO of NWHC or her/his duly authorized representative as appointed by the Board in concurrence with COGHSTA.
- 1.3 **"Contract"** shall include any schedule, drawings, patterns, samples attached, any agreement entered into, and all other schedules attached hereto.
- 1.4 **"Contractor(s)"** means service provider/s whose bid has been accepted by NWHC.
- 1.5 **"Cost of materials"** means, as and when applicable, the cost of components, parts or materials which are intended for the production, manufacturing or assembling of the goods bid for and which are not produced, manufactured or assembled in the factory where the production, manufacture or assembly of such goods occurs, including freight, landing costs, port charges, import duties and other import costs of such components, parts or materials and all costs in connection with the handling and transport thereof prior to delivery at that factory;
- 1.6 **"Final delivery certificate"** means the document issued by NWHC confirming that all the known defects have been rectified and that the works, goods or services appear in good order and have been accepted.
- 1.7 **"COGHSTA"** means Cooperative Governance Human Settlement and Traditional Affairs, the NWHC's mother department.
- 1.8 **"Letter of acceptance"** means the written communication by NWHC to the Contractor recording the acceptance by NWHC of the Contractor's bid subject to the further terms and conditions to be itemized in the contract.
- 1.9 **"Local content"** means the portion of the bid price of local goods not constituting the cost of materials imported into the Republic.
- 1.10 **"Local goods"** means goods wholly or partly produced or manufactured or assembled in the Republic
- 1.11 **"NWHC"** shall mean North West Housing Corporation, which for the tender will also act as the "employer",
- 1.12 **"Order(s)"** means an official letter or CONTRACT issued by NWHC calling for the supply of goods according to a contract or bid.
- 1.13 **"Signature date"** and concerning any contract, means the date of the letter of acceptance.
- 1.14 **"Bid"** means an offer to supply goods/services to NWHC at a price.
- 1.15 **"Service provider"** means any person or body corporate offering to supply goods to NWHC.
- 1.16 **"Termination date"** concerning any contractor means the date of the final delivery certificate.
- 1.17 **"Value added"** means that a portion of the bid price does not constitute the cost of materials.
- 1.18 **"Warranties"** means collectively any, and all warranties listed and otherwise (if any) given by the service provider in term of this agreement.

## **2. Interpretation**

- 2.1 In this agreement, clause headings are for convenience and shall not be used in its interpretation and, unless the context clearly indicates contrary:
- An expression which denotes:
    - any gender includes the other gender.
    - a natural person includes an artificial or juristic person and vice versa.
    - the singular includes the plural and vice versa.
  - Any reference to any statute, regulation or other legislation or official policy shall be a reference to that statute, regulation or other legislation or national policy as at the signature date, and as amended or re-enacted from time to time.
  - When any number of days is prescribed, such shall be reckoned inclusively of the first and inclusively of the last day, unless the last day falls on a day which is not a business day, in which case the last day shall be the next succeeding day which is a business day.
  - Where any term is defined within a particular clause, other than the interpretation clause, that term shall bear the meaning ascribed to it in that clause wherever it is used in this agreement.
- 2.2 This bid request and any subsequent proposal and contract will be interpreted and dealt with under South African law.

## **3. I hereby bid:**

- 3.1 to supply all or any of the services described in this invitation to bid and any subsequently attached documents to NWHC.
- 3.2 on the terms and conditions and in accordance with the specifications stipulated in the bid documents (and which shall be taken as part of incorporated into, this bid).
- 3.3 at the prices and on the terms regarding time for delivery and/or execution inserted therein.

## **4. I further agree that:**

- 4.1 the offer herein shall remain binding upon me and open for acceptance by NWHC during the validity period indicated and calculated from the closing time of the bid.
- 4.2 this bid and its acceptance shall be subject to the terms and additions contained in the schedules hereto with which I am fully acquainted.

## **5. notwithstanding anything to the contrary:**

- 5.1 should the bid be withdrawn by me within the period agreed such bid to remain open for acceptance or fail to fulfill the contract when called upon to do so, NWHC may, without prejudice to its other rights, agree to the

withdrawal of the bid or cancel the contract that may have been entered into between me and NWHC.

- 5.2 in such event, I shall then pay to NWHC any additional expense incurred by NWHC for having either to accept any less favourable bid or, if fresh bids must be invited, the additional expenditure incurred by the invitation of fresh bids and by the subsequent acceptance of any less favourable bid.
- 5.3 NWHC shall also have the right in these circumstances, to recover such additional expenditure by set-off against monies which may be due or become due to me under this or any other bid or contract or against any guarantee or deposit that may have been furnished by me or on my behalf for the due fulfillment of this or any other bid or contract.
- 5.4 Pending the ascertainment of the amount of such additional expenditure NWHC may retain such monies, guarantee or deposit as security for any loss NWHC may sustain, as determined hereunder, by reason of my/our default.
- 5.5 any legal proceedings arising from this bid may in all respects be launched or instituted against me and I hereby undertake to satisfy fully any sentence or judgment which may be obtained against me as a result of such legal proceedings, and I hereby undertake to pay NWHC legal costs on an attorney and own client basis.
- 5.6 if the bid is accepted such acceptance may be communicated by letter or facsimile and that proof of delivery of such acceptance to SA Post Office Ltd shall be treated as delivery.
- 5.7 the law of the Republic of South Africa shall likewise govern any contract created by the acceptance of this bid.
6. I have satisfied myself as to the correctness and validity of this bid, that the price and rates quoted cover all the work/items specified in the bid documents, the price and rate cover all obligations under a resulting contract, and I hereby accept that any error regarding price and calculations shall be at my risk.
7. I accept full responsibility for the proper execution and fulfillment of all obligations and conditions defaulting on me under this agreement as the principal liable for the due fulfillment of this contract.
8. Notwithstanding the amount of cause of action involved, I hereby consent to the jurisdiction of the Magistrate Court for the District of Matlosana in respect of any action whatever arising from this contract.
9. I declare **participation/no participation** in the submission of any other offer for the supply/services described in the attached documents, and the other service provider(s) involved (if applicable) is:  
.....  
.....

10. Service provider's information - is as furnished elsewhere in this bid response and will be re- confirmed during the contracting process, in the event this bid is successful.
11. The Service provider hereby offers to render all or any of the services described in the attached documents to NWHC on the terms and conditions and in accordance with the specifications stipulated in these tender documents (and which shall be taken as part of, and incorporated into, this proposal at the prices inserted therein).
12. Bids submitted by companies must be signed by a person or persons duly authorised thereto by a resolution of a Board of Directors, a copy of which Resolution, duly certified be submitted with the bid.
13. I hereby agree that the offer herein shall remain binding and receptive for acceptance by NWHC during the validity period indicated and determined from the closing hour and date of the tender; this proposal and its acceptance shall be subject to the terms and conditions contained in this tender document.
14. I furthermore confirm correctness and validity of the tender response, that the price and rates quoted, cover all works/items specified in the tender response documents, that the price and rates cover all obligations under a resulting contract and that any errors made regarding such are at my risk.
15. I hereby accept full responsibility for the proper execution and fulfillment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.

## **D1. GENERAL CONDITIONS OF CONTRACT (GCC)**

The purpose of this Section D2 is to:

- (i) Draw special attention to certain general conditions applicable to government bids, contracts and orders (see attached Annexure A).
- (ii) The GCC will form part of all bid and contract documents.
- (v) Special Condition of Contract pertaining to contracts of this nature will be negotiated with the successful bidder.

## **D2. SPECIAL CONDITIONS OF CONTRACT (SCC)**

### **1. Definitions**

The terms shall be interpreted as indicated in the General Condition of Contract (Annexure A)

### **2. Application**

- 2.1 These SCC 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, SCC are also laid down to cover specific supplies, services or works.
- 2.3 Where such SCC conflict with general conditions, the special conditions shall apply.

### **3. Standards**

- 3.1 The service rendered shall conform to the standards mentioned in the bidding documents and specifications.

### **4. Performance Security**

- 4.1 Within thirty (30) days of receipt of the notification of contract award, the successful service provider shall furnish to the client the performance security of the amount specified in SCC
- 4.2 The proceeds of the performance security shall be payable to the client as compensation for any loss resulting from the service provider's failure to complete his obligations under the contract.
- 4.3 The performance security shall be denominated in the currency of the contract or in a freely convertible currency acceptable to the client and shall be in one of the following forms:
  - 4.3.1 a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the client's country or abroad, acceptable to the client, in the form provided in the bidding documents or another form acceptable to the client; or
  - 4.3.2 a cashier's or certified cheque
- 4.4 The performance security will be discharged by the client and returned to the service provider not later than thirty (30) days following the date of completion of the service provider's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.



## **5. Insurance**

- 5.1 The service rendered 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. The contractor will ensure that the insurance liability cover is adequate. Proof of insurance shall be submitted within 7 days of issue of letter of appointment.

## **6. Payment**

- 6.1 The method and conditions of payment to be made to the service provider under this contract shall be specified in SCC.
- 6.2 Monthly payment for the goods and services as per tender scope.
- 6.3 Payment will be made in South African Rand unless otherwise stipulated in SCC.
- 6.4 It is the requirement of NWHC for the successful bidder to maintain a valid Tax Compliance status and a valid CSD Status (National Treasury CSD Number must be provided) for the duration of the project. Therefore, a new valid Tax Compliance must be provided upon expiry of the previous one. The Tax Status will continuously be checked on SARS on-line system during the duration of the contract.

## **7. Prices**

- 7.1 Prices charged by the service provider for services performed under the contract shall not vary from the prices quoted by the service provider in his bid, except for any price adjustments authorized in SCC or in the client's request for bid validity extension, as the case may be.

## **8. Assignment**

- 8.1 The service provider shall not assign, in whole or in part, its obligations to perform under the contract, except with NWHC's prior written consent.
- 8.2 NWHC on the other hand will in due course have the right to assign its contract with the service provider to another legal entity owned by the Gauteng Provincial Government. Due written notice will in such an instance be provided to the service provider.

## **9. Subcontracts**

- 9.1 The Service Provider shall not subcontract work without the prior written consent of NWHC.

## **10 Early Termination**

- 10.1. The NWHC can provide a 30-day notice period for earlier termination if the NWHC needs to participate in a transversal contract from Treasury or COGHSTA on an earlier date than this contract's end date.

I, the service provider, has read the above PARTS E1, E2, E3 and "General Condition of Contract" (Annexure A) and confirm that I/we fully understand and comprehend its meanings intentions, provisions, stipulations and conditions as related to this invitation to bid.

**Signed at .....on this..... day of..... 20...**

**Signature of service provider (same person as in PART A)**

## **Annexure A**

# **GOVERNMENT PROCUREMENT GENERAL CONDITIONS OF CONTRACT**

### **NOTES**

The purpose of this document is to:

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

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

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

## PART A INVITATION TO BID

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE NORTH WEST HOUSING CORPORATION</b>					
BID NUMBER:	NWHC 04 / 2023	CLOSING DATE:	26 MAY 2023	CLOSING TIME:	11H00
DESCRIPTION	NWHC 04/2023: APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE PROPERTY MANAGEMENT FOR NORTH WEST HOUSING CORPORATION AT MATLOSANA COMMUNITY RESIDENTIAL UNITS AT KLERKSDORP FOR A PERIOD OF 36 MONTHS.				
<b>BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)</b>					
NO.23 FIRST STREET, SEGARONA BUILDING					
INDUSTRIAL SITE					
MAFIKENG					
2745					
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO</b>			<b>TECHNICAL ENQUIRIES MAY BE DIRECTED TO:</b>		
CONTACT PERSON	LETLHOGONOLO MAKWATI		CONTACT PERSON	JANE MOTSHGWE	
TELEPHONE NUMBER	018 011 0761		TELEPHONE NUMBER	018 381 5029	
FACSIMILE NUMBER	N/A		FACSIMILE NUMBER		
E-MAIL ADDRESS	fmakwati@nwhe.co.za		E-MAIL ADDRESS	lmotshgwe@nwhe.co.za	
<b>SUPPLIER INFORMATION</b>					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX]  <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX]  <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b>					
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 THE QUESTIONNAIRE BELOW ]
<b>QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.					

## 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 THE 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 VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
- 2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
- 2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
- 2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
- 2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

**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:

(Proof of authority must be submitted e.g. company resolution)

.....

DATE:

.....

## TAX CLEARANCE CERTIFICATE REQUIREMENTS

**It is a condition of bid that the taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.**

- 1 In order to meet this requirement bidders are required to complete in full the attached form TCC 001 "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.
- 2 SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
- 3 The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.
- 4 In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.
- 5 Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website [www.sars.gov.za](http://www.sars.gov.za).
- 6 Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website [www.sars.gov.za](http://www.sars.gov.za).

**Application for a Tax Clearance Certificate****Purpose**Select the applicable option ..... Tenders ☐ Good standing ☐

If "Good standing", please state the purpose of this application


**Particulars of applicant**

Name/Legal name (Initials & Surname or registered name)	
Trading name (if applicable)	
ID/Passport no	
Income Tax ref no	
VAT registration no	4
Customs code	
Telephone no	
E-mail address	
Physical address	
Postal address	

Company/Close Corp. registered no	
PAYE ref no	7
SDL ref no	L
UIF ref no	U
Fax no	

**Particulars of representative (Public Officer/Trustee/Partner)**

Surname	
First names	
ID/Passport no	
Telephone no	
E-mail address	
Physical address	

Income Tax ref no	
Fax no	

**Particulars of tender** (If applicable)

Tender number

Estimated Tender amount R  ,

Expected duration of the tender  year(s)

**Particulars of the 3 largest contracts previously awarded**

Date started	Date finalised	Principal	Contact person	Telephone number	Amount
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Audit**

Are you currently aware of any Audit investigation against you/the company? .....

If "YES" provide details

**Appointment of representative/agent (Power of Attorney)**

I the undersigned confirm that I require a Tax Clearance Certificate in respect of  or .

I hereby authorise and instruct  to apply to and receive from SARS the applicable Tax Clearance Certificate on my/our behalf.

--

Signature of representative/agent Date

Name of representative/agent

**Declaration**

I declare that the information furnished in this application as well as any supporting documents is true and correct in every respect.

--

Signature of applicant/Public Officer Date

Name of applicant/Public Officer

**Notes:**

- It is a serious offence to make a false declaration.
- Section 75 of the Income Tax Act, 1962, states: Any person who
  - fails or neglects to furnish, file or submit any return or document as and when required by or under this Act; or
  - without just cause shown by him, refuses or neglects to-
    - furnish, produce or make available any information, documents or things;
    - reply to or answer truly and fully, any questions put to him ...

As and when required in terms of this Act ... shall be guilty of an offence ...
- SARS will, under no circumstances, issue a Tax Clearance Certificate unless this form is completed in full.**
- Your Tax Clearance Certificate will only be issued on presentation of your South African Identity Document or Passport (Foreigners only) as applicable.

## BIDDER'S DISCLOSURE

### 1. PURPOSE OF THE FORM

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

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

### 2. Bidder's declaration

- 2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest<sup>1</sup> in the enterprise, employed by the state? **YES/NO**

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

Full Name	Identity Number	Name of State institution

- 2.2 Do you, or any person connected with the bidder, have a relationship

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<sup>1</sup> 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.



with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....  
 .....

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

2.3.1 If so, furnish particulars:

.....  
 .....

### 3 DECLARATION

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

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium<sup>2</sup> will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring

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<sup>2</sup> 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.

institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

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

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

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

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of bidder

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

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

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

### 1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

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

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

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

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

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

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

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	
SPECIFIC GOALS	
<b>Total points for Price and SPECIFIC GOALS</b>	<b>100</b>

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

1.6 The organ of state reserves the right to require of a tenderer, either before a tender is

adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

## 2. DEFINITIONS

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

## 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### 3.1. POINTS AWARDED FOR PRICE

#### 3.1.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

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

80/20	or	90/10
$Ps = 80 \left( 1 - \frac{Pt - P_{min}}{P_{min}} \right)$	or	$Ps = 90 \left( 1 - \frac{Pt - P_{min}}{P_{min}} \right)$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

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

#### 3.2.1. POINTS AWARDED FOR PRICE

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

$$\begin{array}{ccc} \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\ \\ \mathbf{Ps = 80 \left( 1 + \frac{Pt - P_{max}}{P_{max}} \right)} & \mathbf{or} & \mathbf{Ps = 90 \left( 1 + \frac{Pt - P_{max}}{P_{max}} \right)} \end{array}$$

Where

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

#### **4. POINTS AWARDED FOR SPECIFIC GOALS**

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
  - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,
- then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

**1. 80/20 PREFERENCE POINT SYSTEM FOR TENDERS FOR INCOME-GENERATING CONTRACTS WITH A RAND VALUE EQUAL TO OR BELOW R50 MILLION**

- 1.1. The following formula must be used to calculate the points for price with respect to an invitation for tender for income-generating contracts with a rand value equal to or below R50 million inclusive of all applicable taxes.

Where:

Ps = Points scored for the price of tender under consideration

Pt = Price of tender under consideration

Pmax= Price of highest acceptable tender

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

A maximum of 20 points may be awarded to a tenderer for the specific goals specified in the tender.

- 1.2. The specific goals applicable to the Entity NWHC for all procurement transactions and income generating above R1,000,000 and up to R50,000,000 inclusive of all applicable taxes based on the 80/20 points system are:

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Enterprise owned by black (must be included as a specific goal)	<b>Maximum 20 points</b> <ul style="list-style-type: none"> <li>○ 100% Black ownership – <b>20 points</b></li> <li>○ Less than 100% and</li> </ul>	

	above 51% Black ownership – <b>10 points</b>  o Less than 51% Black ownership – 0 points  <b>Proof of ownership          must be verified by          either one of the          following          documents: CIPC          Certificate, Valid B-          BBEE Certificate &amp;          CSD report</b>	
<b>TOTAL</b>	<b>20</b>	

#### DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;

iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –

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

.....	
<b>SIGNATURE(S) OF TENDERER(S)</b>	
<b>SURNAME AND NAME:</b>	.....
<b>DATE:</b>	.....
<b>ADDRESS:</b>	.....
	.....
	.....
	.....



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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.

- |  |  |
|--|--|
| <b>2. Application</b>  | <p>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.</p> <p>2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.</p> <p>2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.</p>   |
| <b>3. General</b>  | <p>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.</p> <p>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 <a href="http://www.treasury.gov.za">www.treasury.gov.za</a></p>  |
| <b>4. Standards</b>  | <p>4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.</p>  |
| <b>5. Use of contract documents and information; inspection.</b> | <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> |
| <b>6. Patent rights</b>  | <p>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.</p>   |
| <b>7. Performance security</b>                                   | <p>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.</p>   |

- 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.
<b>29. Governing language</b>	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.
<b>30. Applicable law</b>	30.1	The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
<b>31. Notices</b>	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.
<b>32. Taxes and duties</b>	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.
<b>33. National Industrial Participation Programme (NIP)</b>	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.