



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

the dtic, 77 Meintjies Street, Sunnyside, Pretoria
Tel (012) 394 5000

The Manager

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Sir/Madam

SERVICE: BID dtic 01/21-22(2): APPOINTMENT OF UP TO THREE (3) REGISTERED AUDIT OR ACCOUNTING FIRMS TO CONDUCT BASIC AND COMPREHENSIVE PROJECT DUE DILIGENCE, PROJECT INSPECTIONS, PROJECT CLAIMS/EXPENDITURE VERIFICATIONS AND DEVELOPMENT OF dtic COMPATIBLE CASH FLOW AND CONTINGENT LIABILITY MANAGEMENT SYSTEMS FOR INCENTIVE SCHEMES AND OR FUNDS ADMINISTERED BY the dtic.

the dtic requires services as described per attached bid invitation, and you are requested to complete the bidding documents and to submit it in accordance with the under-mentioned stipulations:

- The conditions contained in the attached documents apply.
- The tender must be submitted in a sealed envelope with the **name and address of the tenderer with the tender number and closing date indicated on the envelope**. If the two envelope system is required in the Terms of Reference the same action must be followed on both envelopes. The cover or envelope must not contain documents relating to any tender other than that shown on the cover or envelope.
- ***Tenders submitted per mail must be sent per registered mail. The tender must still reach this office before the closing time. Failure to do so will invalidate the bid.***
- The closing date of the tender will be at **11h00 on 25 February 2022** and will be valid for a period of **120 days** after closing date (up to and including 24 June 2022).
- The attached forms/documents, if completed in detail and returned, will form part of your tender.
- **All communication regarding this tender must be done in writing.**

You are advised to acquaint yourself with the contents of the attached General Conditions of Contract.

It will be expected of the successful bidder to sign a Service Level Agreement at this office as soon as possible, after being notified of the acceptance of his/her tender. The signed Service Level Agreement will be deemed the final contract. No contract will come into existence prior to signing off on an agreed upon Service Level Agreement.

Yours faithfully



Yvette Cronje

.....
DEPUTY DIRECTOR: TENDERS

DATE: 28 / 01 /2022



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

PLEASE TAKE NOTE:

TENDER NO: dtic 01/21-22(2)

CLOSING TIME: 11:00

CLOSING DATE: 25 FEBRUARY 2022

BIDS RECEIVED AFTER THE CLOSING TIME AND DATE ARE LATE, AND WILL AS A RULE NOT BE ACCEPTED FOR CONSIDERATION.

BID dtic 01/21-22(2): APPOINTMENT OF UP TO THREE (3) REGISTERED AUDIT OR ACCOUNTING FIRMS TO CONDUCT BASIC AND COMPREHENSIVE PROJECT DUE DILIGENCE, PROJECT INSPECTIONS, PROJECT CLAIMS/EXPENDITURE VERIFICATIONS AND DEVELOPMENT OF dtic COMPATIBLE CASH FLOW AND CONTINGENT LIABILITY MANAGEMENT SYSTEMS FOR INCENTIVE SCHEMES AND OR FUNDS ADMINISTERED BY the dtic.

The **SBD 1, 3.3, 4, 6.1, 8 & 9** FORMS MUST BE COMPLETED AND SIGNED IN THE ORIGINAL THAT IS IN INK – PHOTOCOPIED SIGNATURES OR OTHER SUCH REPRODUCTION OF SIGNATURES MAY INVALIDATE YOUR BID.

BID DOCUMENTS MUST BE POSTED TO:
Department of Trade, Industry and Competition
Private Bag x 84
PRETORIA
0001
FOR ATTENTION: YVETTE CRONJE (Block B)

OR

HAND DELIVERED BIDS / BIDS SENT BY COURIER:

THE BID DOCUMENTS MUST BE DEPOSITED IN THE BID BOX WHICH IS IDENTIFIED AS THE BID BOX OF THE DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION, 77 MEINTJIES STREET, BLOCK B, GROUND FLOOR, RECEPTION, SUNNYSIDE, PRETORIA

NELSON MANDELA DRIVE			
ROBERT SOBUKWE STREET	DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION X Bid box	FRANCIS BAARD STREET	
MEINTJIES STREET			

THE BID BOX OF THE DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION IS OPEN 24 HOURS A DAY, SEVEN DAYS A WEEK

Bidders must ensure that bids are delivered to the correct address. If the bid is late, it will not be accepted for consideration.

SUBMIT ALL BIDS ON THE ORIGINAL FORMS - DO NOT RETYPE

BIDS BY TELEGRAM, FACSIMILE OR OTHER SIMILAR APPARATUS WILL NOT BE ACCEPTED FOR CONSIDERATION

CHECKLIST FOR BIDDERS

Please indicate "Yes" / "No" adjacent to each column. This is to ensure that bidders complete, sign and submit all the required documentation.

BID REQUIREMENT	REFERENCE	YES / NO
Bidders must ensure that they are registered on the Central Supplier Database of the National Treasury as this is compulsory with effect of 1 April 2016 for bidders to be considered for bids. Are you registered on the Central Supplier Database of National Treasury.	Par. 3.2 of National Treasury's SCM Instruction no 4A of 2016/2017	
Bidders must ensure that their tax matters are in order in line with the Treasury Regulations and reflect accordingly on the CSD. Bidder's who's tax matters are not declared to be in order will automatically be disqualified. Are your tax matters in order?	Treasury Regulation 16 A9.1.(d).	
Completed and signed the SBD 1 form submitted?	SBD 1 (Invitation to bid)	
Completed the SBD 3.3 form/ pricing schedule. Must be included in the financial proposal only.	SBD 3.3 (Pricing Schedule)	
Submitted your bid as a TWO-ENVELOPE / FILE SYSTEM. NO pricing may be included in your functional proposal. Pricing must only be included in your <u>financial</u> proposal Failure to comply herewith will automatically invalidate your bid. Noted?	Paragraph 14. of the ToR	
Completed and signed the SBD 4 form	SBD 4 (Declaration of Interest)	
Completed and signed the SBD 6.1 form. No points will be adjudicated if certificates or affidavits are not in line with the prescripts.	SBD 6.1 (Preference Points Claim)	
Completed and signed the SBD 8 form	SBD 8 (Declaration of bidders past Supply Chain Management practices)	
Completed and signed the SBD 9 form	SBD 9 (Certificate of Independent Bid Determination)	

SBD1

**PART A
INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF TRADE INDUSTRY AND COMPETITION (the dtic)								
BID NUMBER:	dtic 01/21-22(2)		CLOSING DATE:		25 FEBRUARY 2022		CLOSING TIME:	11:00 am
DESCRIPTION	APPOINTMENT OF UP TO THREE (3) REGISTERED AUDIT OR ACCOUNTING FIRMS TO CONDUCT BASIC AND COMPREHENSIVE PROJECT DUE DILIGENCE, PROJECT INSPECTIONS, PROJECT CLAIMS/EXPENDITURE VERIFICATIONS AND DEVELOPMENT OF dtic COMPATIBLE CASH FLOW AND CONTINGENT LIABILITY MANAGEMENT SYSTEMS FOR INCENTIVE SCHEMES AND OR FUNDS ADMINISTERED BY the dtic.							
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)								
THE DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION (the dtic)								
77 MEINTJIES STREET, BLOCK B, GROUND FLOOR, RECEPTION, SUNNYSIDE, PRETORIA								
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO				TECHNICAL ENQUIRIES MAY BE DIRECTED TO:				
CONTACT PERSON	Mrs. Yvette Cronje			CONTACT PERSON	Ms. Rachel Malatje			
TELEPHONE NUMBER				TELEPHONE NUMBER				
E-MAIL ADDRESS	YCronje@thedtic.gov.za			E-MAIL ADDRESS	RMalatje@thedtic.gov.za			
SUPPLIER INFORMATION								
NAME OF BIDDER								
POSTAL ADDRESS								
STREET ADDRESS								
TELEPHONE NUMBER	CODE			NUMBER				
CELLPHONE NUMBER								
FACSIMILE NUMBER	CODE			NUMBER				
E-MAIL ADDRESS								
VAT REGISTRATION NUMBER								
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:			OR	CENTRAL SUPPLIER DATABASE No:	MAAA		
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	[TICK APPLICABLE BOX] ☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX] ☐ Yes ☐ No			
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]								
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?		☐ Yes ☐ No [IF YES, ANSWER PART B:3]			
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS								
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				☐ YES ☐ NO				
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				☐ YES ☐ NO				
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				☐ YES ☐ NO				
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?				☐ YES ☐ NO				
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?				☐ YES ☐ NO				
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.								

PART B
TERMS AND CONDITIONS FOR BIDDING

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) AND SLA.
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 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)

NAME AND SURNAME:.....

DATE:

**GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT**

NOTES

The purpose of this document is to:

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

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

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

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General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:
 - 1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
 - 1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 "Day" means calendar day.
 - 1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.
 - 1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.
 - 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
 - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
 - 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser

in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

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

2. Application

- 2.1 These general conditions are applicable to all bids, contracts and orders

including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

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

3. General

- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

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

5. Use of contract documents and information; inspection.

- 5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.
- 5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights

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

7. Performance security

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

purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.

- 7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
- (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
 - (b) a cashier's or certified cheque
- 7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

**8. Inspections,
tests and
analyses**

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract supplies may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the

supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing

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

10. Delivery and documents

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

11. Insurance

- 11.1 The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the SCC.

12. Transportation

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

13. Incidental services

- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
 - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
 - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
 - (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
 - (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.
- 13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the

parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

14. Spare parts

- 14.1 As specified in SCC, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:
- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
 - (b) in the event of termination of production of the spare parts:
 - (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
 - (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

- 15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.
- 15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.
- 15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.
- 15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.
- 15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. Payment

- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later

than thirty (30) days after submission of an invoice or claim by the supplier.

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

17. Prices

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

18. Contract amendments

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

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier's performance

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

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

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

21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

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

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without canceling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in

substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

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

23. Termination for default

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

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

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

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

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

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

25. Force Majeure

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

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

26. Termination

26.1 The purchaser may at any time terminate the contract by giving written

for insolvency	notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.
27. Settlement of Disputes	27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation. 27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party. 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law. 27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC. 27.5 Notwithstanding any reference to mediation and/or court proceedings herein, (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and (b) the purchaser shall pay the supplier any monies due the supplier.
28. Limitation of liability	28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6; (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
29. Governing language	29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
30. Applicable law	30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
31. Notices	31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice

- 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
- 32. Taxes and duties**
- 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
- 33. National Industrial Participation (NIP) Programme**
- 33.1 The NIP Programme administered by the Department of Trade, Industry and Competition shall be applicable to all contracts that are subject to the NIP obligation.
- 34 Prohibition of Restrictive practices**
- In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).
- 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.
- 34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.

DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state¹, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes an advertised competitive bid, a limited bid, a proposal or written price quotation). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-
 - the bidder is employed by the state; and/or
 - the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.
2. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**
 - 2.1 Full Name of bidder or his or her representative:
 - 2.2 Identity Number:.....
 - 2.3 Position occupied in the Company (director, trustee, shareholder², member):
 - 2.4 Registration number of company, enterprise, close corporation, partnership agreement or trust:
 - 2.5 Tax Reference Number:.....
 - 2.6 VAT Registration Number:.....
 - 2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / PERSAL numbers must be indicated in paragraph 3 below.

¹"State" means –

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

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

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

2.7.1 If so, furnish the following particulars:

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

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

Position occupied in the state institution:

Any other particulars:

.....

.....

.....

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

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

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

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

.....

.....

.....

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

2.8.1 If so, furnish particulars:

.....

.....

.....

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

2.9.1 If so, furnish particulars.

.....

.....

.....

2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid?

YES/NO

2.10.1 If so, furnish particulars.

.....

.....

.....

2.10 Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract?

YES/NO

2.11.1 If so, furnish particulars:

.....

.....

.....

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

[illegible]

4 DECLARATION

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of bidder

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

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

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

1. GENERAL CONDITIONS

- 1.1 The following preference point systems are applicable to all bids:
- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
 - the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).
- 1.2 The value of this bid is estimated to **not exceed** R50 000 000 (all applicable taxes included) and therefore the **80/20** preference point system shall be applicable;

- 1.3 Points for this bid shall be awarded for:

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

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

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

- 1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.
- 1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

2. DEFINITIONS

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

3. POINTS AWARDED FOR PRICE

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

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

or

90/10

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

Where

Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

P_{min} = Price of lowest acceptable bid

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

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

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

5. **BID DECLARATION**

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

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

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

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

7. **SUB-CONTRACTING**

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

(*Tick applicable box*)

YES	☐	NO	☐
-----	--------------------------	----	--------------------------

- 7.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted.....%
- ii) The name of the sub-contractor.....
- iii) The B-BBEE status level of the sub-contractor.....
- iv) Whether the sub-contractor is an EME or QSE

(*Tick applicable box*)

YES	☐	NO	☐
-----	--------------------------	----	--------------------------

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

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

8. DECLARATION WITH REGARD TO COMPANY/FIRM

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

8.2 VAT registration number:.....

8.3 Company registration number:.....

8.4 TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
 - ☐ One person business/sole propriety
 - ☐ Close corporation
 - ☐ Company
 - ☐ (Pty) Limited
- [TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

.....

8.6 COMPANY CLASSIFICATION

- ☐ Manufacturer
 - ☐ Supplier
 - ☐ Professional service provider
 - ☐ Other service providers, e.g. transporter, etc.
- [TICK APPLICABLE BOX]

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

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

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

WITNESSES

1.....

2.....

.....
SIGNATURE(S) OF BIDDERS(S)

DATE:

ADDRESS

.....

.....

DECLARATION OF BIDDERS PAST SUPPLY CHAIN MANAGEMENT PRACTICES

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

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

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)

**CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION
FORM IS TRUE AND CORRECT.**

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

.....

Signature

.....

Date

.....

Position

.....

Name of Bidder

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Standard Bidding Document (SBD) must form part of all bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
 - a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
 - b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
- 4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

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

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Institution)

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

I certify, on behalf of: _____ that:
(Name of Bidder)

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

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

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE TERMS OF REFERENCE

*To invite bids to add up to three (3) registered audit or accounting firms to conduct basic and comprehensive project due diligence, project inspections, project claims/expenditure verifications and development of **dtic** compatible cash flow and contingent liability management systems for incentive schemes and or funds administered by the Industrial Financing Branch (IFB) to contract **dtic** 01/21-22(2).*

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REQUEST FOR PROPOSALS:

To add up to three (3) registered audit or accounting firms to contract **dtic** 01/21-22(2) to conduct basic and comprehensive project due diligence, project inspections, project claims/expenditure verifications and development of **dtic** compatible cash flow and contingent liability management systems for incentive schemes and or funds administered by the Industrial Financing Branch.

NOTE: Should a vendor have reason to believe that the Terms of Reference are not open to promote competition or that it is written based on a particular brand/product/entity; the vendor shall notify the Bid Office of **the dtic** within ten (10) calendar days after publication of the bid.

1 PURPOSE

1.1 The purpose of the project is for the Panel of Service Providers to:

- 1.1.1 Conduct project verification and due-diligence for incentive schemes and or funds administered by the Industrial Financing Branch (IFB).
- 1.1.2 Develop cash flow and contingent management systems in line with incentive/fund guidelines.

2 BACKGROUND

2.1 IFB is an integral part of **the dtic's** value chain entrusted to stimulate and facilitate the development of sustainable, competitive enterprise through the efficient provision of effective and accessible incentive measures that support national priorities.

2.2 In accordance with the strategic objective, **the dtic** is implementing the following spectrum of incentive schemes:

- 2.2.1 *Manufacturing Competitiveness enhancement Programme (MCEP),*
- 2.2.2 *Enterprise Investment Programme (EIP),*
- 2.2.3 *Automotive Investment Scheme (AIS),*
- 2.2.4 *Business Process Services Incentive Programme (BPS),*
- 2.2.5 *Film Production Incentive Scheme,*
- 2.2.6 *Capital Projects Feasibility Programme(CFPF),*
- 2.2.7 *Critical Infrastructure Programme (CIP),*
- 2.2.8 *Incubator Support Programme(ISP),*
- 2.2.9 *Aqua culture Development and Enhancement program (ADEP),*
- 2.2.10 *Support Program for Industrial Development (SPII),*
- 2.2.11 *Technology and Human Resources for Industrial Program (THRIP),*
- 2.2.12 *Special Economic Zones (SEZ),*
- 2.2.13 *Employment Creation Fund (ECF),*
- 2.2.14 *Black Industrial Incentive (BI),*
- 2.2.15 *Other new incentive schemes being developed*

- 2.3 Medium and large business access the incentive scheme/fund by applying for participation in accordance with specific criteria relevant to each scheme/fund, where after departmental adjudication committees consider and approve their application. Once an approval is granted, a commitment is created whereby **the dtic** will provide financial assistance in turn of specific performance of participants or approved projects, according to the conditions of the incentive schemes.
- 2.4 The nature of the scheme/fund implies that expenses, in the form of claim payments be incurred by approved projects, **dtic** may be required to disburse such claim payment.
- 2.5 Cash flow and contingent management forms an integral part of efficient and prudent utilisation of funds to ensure 100% expenditure.
- 2.6 Other projects are planned in such a manner that they are not completed within the financial year when they were approved leading to the Department accumulating contingency liability, and thus requires a system to manage and minimise contingent liabilities.

3 OBJECTIVES

- 3.1 To conduct basic and comprehensive due diligence verification procedures in line with incentive/fund guidelines.
- 3.2 To conduct desktop investigations and/or onsite inspections encompassing the performance of due diligence and/or verification procedures of specific performance conditions by independent registered auditors; which must provide management with reasonable level of assurance that specific performance to the conditions of the incentive scheme/fund guidelines are met by projects, prior to the approval of applications and payment incentive/fund claims via a finalised due diligence and/or factual finding report.
- 3.3 Assess risk mitigation factors and management systems align to incentive project payment, project inspections (both physical and desktop) investigation, onsite inspections and to make recommendations for standard operating procedures.
- 3.4 Provide technical advisory services relating to incentive management which include review of incentive cashflow management assessment and contingent liability reporting.

4 METHODOLOGY

- 4.1 The bidders are expected to outline and explain the methodology that will be used to conduct project basic and comprehensive due diligence, project inspections, project claims verifications, cash flow and contingent liability management for incentive schemes and or funds administered by IFB.
- 4.2 It will be imperative for the Service Providers to outline in the methodology why a particular method has been chosen, what the pros, cons and risk factors are.

5 SCOPE OF WORK

The appointed service providers will undertake the following on an as and when required basis across all clusters of incentive schemes:

- 5.1 Compile basic and comprehensive due diligence procedures based on current incentive schemes/fund's guidelines and criteria.
- 5.2 Review current verification procedures as well as site /inspections report for current incentive scheme/funds, in order to compile consolidated verification procedures. Where new incentives/funds are developed, the guidelines and all relevant documents must be analysed in order to compile verification procedures.
- 5.3 The service provider should analyse all relevant documentation e.g. the approval letter application form, claim form, asset registers, agreements, minutes, special conditions, black economic empowerment certificates, tax compliance, financial statements, invoices, delivery notes, employee records, unemployment insurance, fund documentation, zoning certificates, relevant licences, compliance certificates, lease agreements, production records, consulting engineer's report, foreign investment grant documentation etc. anything that is deemed necessary in the performance of the due diligence and/or verification procedures.
- 5.4 The procedures will include cross casting, inspection, obtaining, enquiring, certifying, agreeing, calculating and recalculating to confirm the information presented by the project on the incentive /fund application and claim form and supporting documentation. In certain instances, the auditors will also be required to perform Computer Assisted Audit Techniques (CAAT'S) and/or utilise other processes or systems etc, as well, utilise necessary expertise such as consulting engineers etc in order to finalise the verification.
- 5.5 Perform due diligence and/or verification procedures as agreed with the **dtic** through desktop investigations and/or onsite inspections. Finalise the due diligence and/or factual findings report with a recommendation to support or not to support the project, must be returned to the **dtic** at most 7 working days from the **dtic's** request, along with all supporting documentation that may be collected during the onsite inspection.
- 5.6 The estimated number of claims for which verification procedures may be performed are, dependent on **the dtic's** requirements.
- 5.7 Make recommendations on improvement of systems and standard operating procedures for incentive management and contingent liability reporting on the current and other new incentives/funds guidelines.
- 5.8 A report of risk, control weaknesses identified and recommendations of additional procedures and implementable control during the performance of the basic and comprehensive due diligence, verification procedures, project inspection, project claims verification and contingent liability management for incentive schemes/funds.

- 5.9 Provide technical advisory services and assessment appraisal on incentive management.

6 DELIVERABLES

- 6.1 The service provider is required to produce the verification/ inspection report for project factual finding reports, due diligence reports and risk.
- 6.2 All the above functions stipulated under the scope of work must be carried out in accordance with timelines as agreed with the Service Level Agreement (SLA). The service provider will submit a quarterly progress report to the Chief Director (CD) within 4 days after the end of the quarter for the current completed projects, budgets and available funds and reasons for delays if any, a combined list of risks and implementable controls to mitigate such risks, reflecting if they have been incorporated into the due diligence and verification procedures.

7 SKILLS TRANSFER

- 7.1 Transfer of skills to relevant officials of **the dtic** on the performance of basic and comprehensive project due diligence, inspections, project claims verifications and contingent liability management for incentive schemes must form an integral part of the bidder's proposal. This must be done by the compilation of standard operating procedures on the process to be followed in performing the above functions. The service provider must include in its plan to transfer skills to the officials during basic and comprehensive due diligence and onsite verifications. The service provider will submit a consolidated report to **the dtic** providing feedback on skill transferred during the execution of this project.

8 QUALIFICATIONS, EXPERIENCE AND EXPERTISE

The service provider must be a registered auditing firm or accounting firm within the relevant regulatory body, that is, with either South African Institute of Chartered Accountants (SAICA), Independent Regulatory Board of Auditors (IRBA) or *Associate General Accountants South Africa (AGA-SA)*. Proof of registration must be provided.

Failure to submit proof of registration with one of the three mentioned bodies will result in automatic disqualification.

- 8.1 The proposed key staff for this project must comply with the following requirements:
- 8.1.1 The project leader from the auditing /accounting firm should hold a CA(SA) qualification with at least ten (10) years working experience in auditing/accounting, to quality check the work performed by the team.

- 8.1.2 The project team (key staff) that will perform the procedures must have at least 3 to 5 years working experience with a minimum qualification in commerce and or auditing. Copies of qualifications of the project leader and core team members must be included as proof and foreign acquired qualification should be endorsed by the South African Qualification Authority (SAQA) before they can be considered by **the dtic**.
- 8.1.3 The proposed key staff should have ability to conduct project financial appraisal, evaluation and risk analysis.
- 8.1.4 Bidders must submit comprehensive CV's of all proposed key staff in the following format: 1st Column: Name and ID number of the key member; 2nd column: Relevant qualification(s) and courses successfully completed; 3rd column number of years' relevant experience indicated in numerical format; 4th column case studies to prove relevant experience and knowledge in the field of expertise (as indicated in the below table)

Name and ID of number of key staff member	Relevant qualification(s) and courses successfully completed	Number of years' relevant experience in numerical format	Case studies and references to prove relevant experience and knowledge in field expertise
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- 8.2 Bidding Company must have at least ten (10) years relevant experience.
- 8.3 Proof of relevant experience should be provided by means of case studies detailing the type of project, the period of the project, the magnitude of the project and the result of the project. Reference letters from former clients will be an added advantage.

NB: **the dtic** reserves the right to vet all documentation and information provided by bidders to prove their relevant experience and ability to perform the service.

9 DUE DILIGENCE

- 9.1 The bidder must have current technical and logistical capacity to perform the work required. **the dtic** reserves the right to perform due diligence on facilities, resources and capacity of a bidder prior to the appointment of a service provider.

10 CONDITIONS

- 10.1 Service Level Agreements will be signed with the successful bidders before work commences.
- 10.2 Work will be allocated on an as and when requirement. No work is guaranteed under this contract.

- 10.3 For all the spectrum of incentive schemes programmes (mentioned under background) **the dtic** will be adding up to three (3) service providers to contract **dtic** 01/21-22(2) (already appointed two via **dtic** 01/21-22) with the capability to undertake the work across any scheme or fund in order to accommodate for volumes when the services are required. Work will be allocated on an as and when required basis. Work will be rotated between the appointed service providers by giving the first assignment to the bidder that scored the highest final score on price and B-BBEE points during evaluation and the second assignment to the bidder with the second highest final score and so on. The rotation process will be repeated in the same sequence for as long as services are required. An equal distribution of work cannot be guaranteed as project readiness to claim is dependent on milestones which are dependent on among other economic conditions. The rotation method will be applied for all incentive programmes mentioned under background on page 2 of the ToR.
- 10.4 Firms should be in good standing with their regulatory bodies without any pending actions.
- 10.5 Bidding companies that apply for any of the incentive schemes or funds or assist 3rd parties with their applications for such incentive programmes as well as audit teams that perform other audit functions at and on behalf of **the dtic** will not be allowed to place a bid to deliver these services due to conflict of interest concerns. Therefore, bidders who submit proposals for this bid must ensure that in no form or instance form part of or are linked to (in any form whatsoever) to an entity that received assistance via any **the dtic** incentive schemes or fund. **Bidders will be required to submit together with their bid document a certified affidavit to confirm their compliance with this requirement.**
- 10.6 Proposed key staff members must participate actively and be available to perform services in accordance with the contract. In instances where a proposed key staff member is not available to perform services at a specific period in time, the bidder will be responsible to provide a replacement with similar qualifications and experience in order to guarantee the same standard of work to **the dtic**. Each team member's role must be clearly outlined in the project plan.
- 10.7 A project plan detailing the tasks, activities and target dates for the work to be undertaken should be submitted to **the dtic** within 10 working days after appointment of the successful Service Provider. Each team member's role must be clearly outlined in the project plan;
- 10.8 As previously indicated **the dtic** reserves the right to vet all qualifications and other documentation provided by bidders to prove relevant qualifications, experience and expertise prior to the appointment of a Service Provider;
- 10.9 Copyright and intellectual property rights to all documentation, reports etc. that emanate from this assignment will vest with **the dtic**.

- 10.10 This bid and all contracts emanating there from will be subject to the General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999). Special Conditions of Contract are supplementary to that of the General Conditions of Contract. Not all bids will contain special conditions of contract. Where, however, the Special Conditions of Contract are in conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.
- 10.11 Bids received after the closing date and time, at the address indicated in the bid documents, will not be accepted for consideration and where possible, be returned unopened to the bidder.
- 10.12 Bidders' attention is drawn to the fact that amendments to any of the Bid Conditions or setting of counter conditions by bidders may result in the invalidation of such bids.
- 10.13 The State reserves the right to conduct supplier due diligence prior to final award or at any time during the contract period. This may include site visits.
- 10.14 The Bid Office Officials of **the dtic** may communicate with bidders where clarity is sought after the closing date of the bid and prior to the award of the contract, or to extend the validity period of the bid, if necessary.
- 10.15 All communication between the bidder and the Bid Office Officials of **the dtic** must be done in writing.
- 10.16 Bidders must ensure that they are registered on the Central Supplier Database of the National Treasury as this is compulsory with effect of 1 April 2016 in order for bidders to be considered for bids.
- 10.17 Bidders must ensure that their tax matters are in order in line with the Preferential Procurement Policy Framework Act and the Treasury Regulations.
- 10.18 Bidders' whose tax matters are not declared to be in order will be disqualified.
- 10.19 Bidders' attention is drawn to the tax requirements stated on the SBD 1 form.
- 10.20 Where applicable acceptance of a bid will be subject to the condition that both the contracting firm and its personnel providing the service must be cleared by the appropriate authorities to the level of CONFIDENTIAL/SECRET/TOP SECRET (whichever one is stipulated in the relevant specification / ToR). Obtaining a positive recommendation is the responsibility of the contracting firm concerned. If the principal contractor appoints a subcontractor, the same provisions and measures will apply to the subcontractor. Acceptance of the tender is also subject to the condition that the contractor will implement all such security measures as the safe performance of the contract may require." (Minimum Information Security Standards. Chapter 5).

- 10.21 The points scored for functionality, price and B-BBEE points will be rounded off to the nearest 2 decimals as determined in the PP Regulations of 1 April 2017.
- 10.22 In cases where the tender invitation is subject to a pre-qualification requirement based on sub-contracting, then it is the responsibility of the tenderer to select competent sub-contractors that meet all the requirements of the tender in order to ensure that the bidders tender is not jeopardized by the subcontractor during evaluation. Bidders are responsible for all due diligence on their subcontractors.
- 10.23 In cases where above market related prices are quoted the right is reserved to negotiate with the three preferred bidders (three highest on final points for price and B-BBEE).
- 10.24 Bidders to take note that the award of the tender may be subject to price negotiation with the preferred bidder.
- 10.25 This bid is subject to the PP Regulations of 1 April 2017.
- 10.26 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 10.27 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- 10.28 Bidders must submit concrete proof of the existence of joint ventures and/or consortium arrangements. **the dtic** will accept signed agreements as acceptable proof of the existence of a joint venture and/or consortium arrangement.
- 10.29 The joint venture and/or consortium agreements must clearly set out the roles and responsibilities of the Lead Partner and the joint venture and/or consortium party. The agreement must also clearly identify the Lead Partner, who shall be given the power of attorney to bind the other party/parties in respect of matters pertaining to the joint venture and/or consortium arrangement.
- 10.30 Regulation 13 (c) of the Public Service Regulations 2016 determines that an employee shall not conduct business with an organ of state or be a director of a public or private company conducting business with an organ of state unless such employee is in an official capacity a director of a company listed in schedule 2 and 3 of the Public Finance Management Act. **As this regulation prohibits public service employees from conducting business with an organ of state; either in a personal capacity or as a director of a private or public company, non-compliance with this regulation will lead to automatic disqualification of a bid.**
- the dtic** reserves the right:

- 10.31 To award this tender to a bidder that did not score the highest total number of points, only in accordance with section 2(1)(f) of the PPPFA (Act 5 of 2000).
- 10.32 To negotiate with one or more preferred bidder(s) identified in the evaluation process, regarding any terms and conditions, including price without offering the same opportunity to any other bidder(s) who has not been awarded the status of the preferred bidder(s).
- 10.33 To accept part of a tender rather than the whole tender.
- 10.34 To carry out site inspections, product evaluations or explanatory meetings in order to verify the nature and quality of the services offered by the bidder(s), whether before or after adjudication of the Bid.
- 10.35 To correct any mistakes at any stage of the tender that may have been in the Bid documents or occurred at any stage of the tender process.
- 10.36 To cancel and/or terminate the tender process at any stage, including after the Closing Date and/or after presentations have been made, and/or after tenders have been evaluated and/or after the preferred bidder(s) have been notified of their status as such.
- 10.37 Award to multiple bidders based either on size or geographic considerations.
- 10.38 Bidders will be allowed to submit queries or request clarification up to one week prior to the closing date of this bid. Thereafter no queries / clarification requests will be responded to.

11 PRICE

- 11.1 The bid price is based on hourly rates of the proposed team and must be quoted in South African currency (i.e. South African Rand) and be inclusive of VAT.
Bidders must complete the standard bidding document SBD 3.3, which clearly stipulates the detailed requirements for pricing. The prices must be for a period of three years and **must be firm**. Three firm prices will therefore be required, one for each year of the contract per proposed team member.

BIDDERS WHO SUBMIT FINANCIAL PROPOSALS BASED ON NON-FIRM PRICES WILL AUTOMATICALLY BE DISQUALIFIED.

- 11.2 The bid price must be inclusive of VAT and quoted in RSA currency.
- 11.3 Consultants remuneration may only be in accordance with the following prescribed rates:
 - 11.3.1 Rates as determined in the “guidelines for fees”, issued by the South African institute of Chartered Accountants (SAICA), or
 - 11.3.2 Rates set out in the “Guide on Hourly Fees Rates for Consultants”, by the Department of Public Service and Administration (DPSA); or
 - 11.3.3 Rates as prescribed by the body regulating the profession of the consultant; e.g. Law Society of South Africa.

Proof of the latest approved rates which the bid prices are based on must be attached to the pricing SBD 3.3. The above-mentioned rates will be the maximum acceptable rates. **FAILURE TO COMPLY WITH THIS REQUIREMENT WILL INVALIDATE A BID.**

- 11.4 Hotel accommodation costs will be limited to a maximum of R1300 per person, including dinner, bed, breakfast and parking;
- 11.5 For travelling by road the rates per kilometre may not exceed the rates as approved by the Automobile Association of South Africa (proof of approved rates to be attached to SBD 3.3);
- 11.6 Air travel will be restricted to economy class for purposes of travelling required for the project.
- 11.7 In the event that any member /staff of the appointed bidder (who was approved to work on this contract) contract COVID-19 while working on an assignment, expenses incurred due to him/her contracting COVID-19 (e.g. isolation in hotel) will not be for the account of **the dtic**.

12 the dtic OBLIGATIONS

- 12.1 **the dtic** Project Manager will serve as contact person on all matters relating to the project;
- 12.2 **the dtic** Project Manager will review, evaluate and approve the services provided by the Service Provider against the Service Level Agreement on an ongoing basis and prior to payment made;
- 12.3 **the dtic** will supply all reasonable, relevant, available data and information required and requested by the Service Provider for the proper execution of the service and such assistance as shall reasonably be required by Service Provider in carrying out their duties under this contract.

13 SERVICE PROVIDERS OBLIGATIONS

- 13.1 The service Provider undertakes to act as an independent contractor in respect of the work;
- 13.2 To work closely with the Project Manager responsible for the project in **the dtic**;
- 13.3 Attend meetings when required by the Project Manager for the purpose of obtaining information or advice with regards to the work and assignment or any matter arising from or in connection therewith;
- 13.4 The Service Provider will be responsible for its own computers and technical literature to adequately perform all the functions;

- 13.5 The Service Provider must exercise all reasonable skill, care and diligence in the execution of the work and shall carry their obligation in accordance with professional standards;
- 13.6 The Service Provider must in all professional matters act as faithful advisor to **the dtic**, as well as respecting the laws and customs of any country and provinces in which any business in relation to the project concluded;
- 13.7 All information availed to the Service Provider in accordance in the course of the project must be deemed confidential and remain in the property of the **dtic**;
- 13.8 The Service Provider will be required to sign a confidentiality declaration form, undertaking to keep all the information at his/her disposal as a result of being awarded the contract by **the dtic** strictly confidential;
- 13.9 The Service Provider must not disseminate any information gathered during the conduct of the project, publicize or release media statement in relation to the assignment;
- 13.10 Any information gathered during the conduct of the assignment is the property of **the dtic** and may not be distributed without prior written approval of **the dtic**;
- 13.11 The Service Provider will be deemed to have been satisfied as to the correctness and sufficiently of the rates and prices set out in their bid for the services to be rendered;
- 13.12 The Service Provider must plan and provide for all possible risks that may affect the delivery of the project on time and indicate what mechanisms are in place to manage such risks.

14 BID EVALUATION CRITERIA

- 14.1 The 80/20 principle and two envelope / file system will apply in evaluating the proposals in accordance with the amended PPP Regulations pertaining to the Preferential Procurement Policy Framework Act; Act no 5 of 2000 that came into effect on 1 April 2017. The reason for applying the two envelope / file system is to ensure that price does not influence the evaluation of the functional proposals.

14.2 Two Envelope System

- 14.2.1 The two envelope system is based on the submission of the functional and financial proposal in two separate envelopes. **NO** financial/pricing information may be contained in the functional envelope **as this will lead to automatic disqualification**. Submission must be done as follows:

14.3 Functional Proposal:

- 14.3.1 Bidders must submit their functional proposal in a sealed envelope / file with the name of the bidder, closing date and time and the bid number clearly indicated on the envelope

/ file. This envelope / file should only contain the functional proposal and compulsory forms; SBD 1, 4, 6.1, 8, 9 and General Conditions of Contract; as well as the original / original certified copy of the B-BBEE certificate or Affidavit, but **NO financial/pricing information. Financial/pricing information in a functional proposal will lead to automatic disqualification of that specific proposal.**

14.4 Financial proposal

14.4.1 The financial proposal SBD form 3.3 must be submitted in a SEPARATE sealed envelope with the name of the bidder, closing date and time and the bid number clearly indicated on the envelope.

14.5 FAILURE TO COMPLY WITH THE TWO ENVELOPE SYSTEM WILL AUTOMATICALLY INVALIDATE A BID

14.5.1 All proposals will be evaluated in terms of the two phase process once the pre-qualifying of bids received is done. All bid proposals received are subject to prequalification process to determine compliance with compulsory requirements/conditions. All bids that pass the pre-qualification process will then be evaluated as follows:

14.6 First phase: Functional evaluation. This evaluation is based on the functional proposal submitted in envelope one (functional envelope) for this phase there is a cut-off score of 60% and only the proposals that score 60% and above during the functional evaluation will be considered during the second phase of evaluation.

14.7 Second phase: Price and BBBEE status level. During the second phase all Bidders scored 60% and above during the functional evaluation will be considered for the second phase where points will be calculated for price and B-BBEE scores in accordance with the amended Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, Act no 5 of 2000 that came into effect on 1 April 2017.

14.8 Up to three (3) bidders that scored the highest points on price and B-BBEE scores, that successfully reached the last phase of the evaluation process, will be appointed to perform the work in any incentive scheme or fund.

Key scores

Score	Description
0 – Non-compliant	No evidence provided to substantiate compliance
1 - Poor	Unacceptable, does not meet set requirements
2 - Average	Reasonable but not sufficient to fully satisfy the requirements
3 - Good	Fully complies to the set minimum requirement
4 – Very Good	Above average compliance to the set requirements
5 - Excellent	Meets and exceeds the set requirements

PHASE 1: FUNCTIONAL EVALUATION

No	Criteria	Weight	Rate (0 – 5)	Total Score
1.	Relevant Qualifications of the proposed Project Leader and Project Team (key staff):			
1.1	Relevant qualifications of the Project Leader and Project Team. Qualifications must be elaborated upon in CV's	20		
2.	Relevant Experience of the proposed Project Leader and Project Team (key staff):			
2.1	The project leader from the auditing /accounting firm should have at least ten (10) years working experience in auditing/accounting.	15		
2.2	The project team (key staff) that will perform the procedures must have at least 3 to 5 years working experience.	15		
3.	Bidding Company relevant experience and number of years' performing services			
3.1	The bidding company must be in business actively performing the service for at least 10 years: 1 = 1 to 5 years' 2 = more than 5 years less than 10 years 3 = 10 years 4 = more than 10 years' up to 15 years 5 = more than 15 years	10		
3.2	The bidding company relevant experience proven by case studied detailing the type of project, the period of the project, the magnitude of the project and the result of the project. Reference letters from former clients will be an added advantage.	15		

4	Methodology			
4.1	Methodology proposed in line with requirements stipulated in Terms of Reference.	20		
5	Skills Transfer			
5.1	Demonstration of how the Service Provider will transfer skills to the dtic officials.	5		
	Maximum Points	100		

PHASE 2: PRICE AND PREFERENCE POINTS

	80/20 PRINCIPLE	POINTS
1	Price	80
2	B-BBEE Status level contribution	20
	MAXIMUM POINTS	100

15 CONTRACT PERIOD

- 15.1 The contract will run for a period of at least 2 years but not exceeding 3 years from the date of last signature on the Service Level Agreement that will be signed by both parties.
- 15.2 The exact contract period will be determined in the SLA as it will have to run concurrent with contract dtic 01/21-22.

16 CONTACT DETAILS

Please direct all technical questions to:

Ms Rachel Malatje
Office of Chief Director- Industrial Financing
Department of Trade, Industry and Competition
Email:Rmalatje@thedtic.gov.za

Please direct all bids related questions to:

Mrs Yvette Cronje
Office of Chief Financial Officer (OCFO)
Department of Trade, Industry and Competition
Email:Ycronje@thedtic.gov.za

PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER: BID NO. **dtic 01/21-22(2)**

CLOSING TIME **11:00**

CLOSING DATE: **25 FEBRUARY 2022**

OFFER TO BE VALID FOR **120** DAYS FROM THE CLOSING DATE OF BID.

NB! PLEASE TAKE NOTE THAT PRICING MUST NOT BE SUBMITTED IN THE FUNCTIONAL PROPOSAL ENVELOPE, FINANCIAL INFORMATION MUST ONLY BE SUBMITTED IN THE FINANCIAL PROPOSAL ENVELOPE WHICH MUST BE SUBMITTED IN A SEPARATE ENVELOPE/FILE. FAILURE TO COMPLY HEREWITH WILL AUTOMATICALLY INVALIDATE YOUR BID.

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY *(ALL APPLICABLE TAXES INCLUDED)		
1.	REGISTERED AUDIT OR ACCOUNTING FIRMS TO CONDUCT BASIC AND COMPREHENSIVE PROJECT DUE DILIGENCE, PROJECT INSPECTIONS, PROJECT CLAIMS/EXPENDITURE VERIFICATIONS AND DEVELOPMENT OF dtic COMPATIBLE CASH FLOW AND CONTINGENT LIABILITY MANAGEMENT SYSTEMS, FOR INCENTIVE SCHEMES AND OR FUNDS ADMINISTERED BY the dtic.			
2.	The accompanying information must be used for the formulation of proposals. Prices must be quoted in RSA currency and include VAT.			
3.	The contract will be based on hourly rates which must be fixed (please see par. 11.1 in the ToR) and **travel and accommodation costs which will be paid in line with National Treasury prescriptions.			
4.	Persons who will be involved in the project and rates applicable (certified invoices must be rendered in terms hereof once payment is requested):			
4.1	PERSON / STAFF AND POSITION	Hourly rates (Year 1)	Hourly rates (Year 2)	Hourly rates (Year 3)
	_____	R _____	R _____	R _____
	_____	R _____	R _____	R _____
	_____	R _____	R _____	R _____
	_____	R _____	R _____	R _____
	_____	R _____	R _____	R _____
	_____	R _____	R _____	R _____
	Total average hourly rate per year:	R _____	R _____	R _____
	(Total of each year divided by number of staff proposed)			
5.	Total average hourly rate of 3 year period (total of Year 1 + total of Year 2 + total of Year 3) R..... for price comparison purposes.			
6.	Period required for commencement with project after acceptance of bid			
7.	Hourly rates quoted must be firm for the full period of the contract: Accepted / Not Accepted			
8.	<u>**Compliance with National Treasury Instruction on Cost Containment:</u>			
8.1	Air Travel will be restricted at Economy Class.			
8.2	Claims for kilometers may not exceed the rates approved by the Automobile Association of South Africa.			
8.3	Accommodation – R1300 per night, per person, including breakfast, dinner and parking (or as amended by National Treasury).			
8.4	Parking expenses will not be for the dtic's account.			
8.5	Travelling costs and time spent or incurred between the home and office of the consultants, including their staff and the dtic head office will not be for the account of the dtic.			

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

BIDDERS WHO SUBMIT FINANCIAL PROPOSALS BASED ON NON-FIRM PRICES WILL AUTOMATICALLY BE DISQUALIFIED



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

the dtic, 77 Meintjies Street, Sunnyside, Pretoria Tel (012) 394 5000

IMPORTANT NOTICE

Bidders are hereby requested to submit tender documents in the following format:

1 X FUNCTIONAL PROPOSAL (HARD COPY & CD/USB) AND SBD 1, 4, 6.1, 8 & 9 FORMS, GENERAL CONDITIONS OF CONTRACT AND THE ORIGINAL / ORIGINAL CERTIFIED COPY OF THE B-BBEE CERTIFICATE OR AFFIDAVIT IN A SEALED ENVELOPE / FILE.

1 X THE FINANCIAL PROPOSAL (HARD COPY & CD/USB) IN A SEPARATE SEALED ENVELOPE / FILE.

Bidders must please take note of the following:

NO financial/pricing information may be included in your functional proposal. Financial/Pricing information must only be contained in your financial proposal. Failure to comply herewith will automatically invalidate your bid