

**REQUEST FOR PROPOSALS (RFP) OF PROFESSIONAL SERVICE PROVIDERS FOR RESEARCH ON THE IMPACT OF SMALL-SCALE MINING ON THE ECONOMY OF THE FREE STATE**

REF: RFP05/2022/23

**1. Background**

Mining is an important part of the South African economy and has driven much of the economic development of the country. With the slowing down of the large scale gold mining sector particularly in the Free State Province within the last two decades, the different mines have gone into temporary cessation, warehousing, partial closure, and even been completely abandoned. However, the industrial minerals, which include limestone, clays, sand, gravel, bentonite, and silica are on the rise. In 2019, industrial mineral sales amounted to R17.9 billion out of which R14.3 billion or 79% was domestic sales and R3.5 billion or 19.5% export sales.[[1]](#footnote-1)

The decline in gold mining has gave birth to a different and developing mining phenomenon in South Africa’s goldfields, the unregulated artisanal mining. This small scale unregulated artisanal mining is not recognised in the current mining legislation and this industry is also colloquially referred to as “Zama Zama” mining.

However, mining remains an important contributor in the economy of the Free State particularly if industrial mining is to be taken into account as well. Large scale mining in the province happens in the gold, diamonds and coal sectors whilst small scale mining is associated with clay, salt, limestone, granite, gypsum, sand, sandstone and sand aggregate which are industrial minerals.[[2]](#footnote-2) For instance, out of the Department of Mineral Resources and Energy’s list of 78 mines in the Free State Province, 51 of them are involved in clay brickmaking, lime/limestone, granite, sand/sandstone aggregates, bentonite and salt mining, which are mainly industrial minerals.[[3]](#footnote-3)

Therefore, if it is assumed that 73% of mining activities in the Free State are in industrial minerals; and industrial minerals are associated with small-scale mining whilst gold, diamonds and coal with large-scale mining, it is critical to know the impact of the small-scale mining on the economy of the Free State Province. This is in essence the aim of this study.

**2. Objectives of the study**

The Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEA), which is in the forefront of guiding economic development has been requested by the Free State Provincial Legislature to conduct this study. Mining has been identified as one of the prioritised sectors as per the Free State Growth Development Strategy (FSGDS) which can be transformed and supported in order to achieve the objective of an inclusive growth and job creation.

Therefore, the aim of the study is to determine the contribution of small-scale mining activities to the Gross Domestic Product of the Free State Province. The specific objectives in support of this aim are:

* To determine the volumes mined and sold annually by small-scale mining industry in the Free State Province.
* To determine annual income generated by small-scale mining activities in the Free State Province.
* To determine the contribution to GDP by small scale mining.
* To determine the number of jobs within the small-scale mining industry.
* To determine the economic contribution of small-scale mining industry to the economic sectors it serves.
* Other impacts on different groups within the communities of the Free State Province.
* To obtain a holistic view and understanding of the linkages with the mining value chain and the extent to which these linkages find expression in the provincial economy.

**3. Project scope**

* A complete report covering all aspects outlined under the aim and objectives of the study;

The report to contain the latest available information in respect of:

* Nature and type of minerals that are being mined;
* Production volumes and value;
* Proposals on support needed to strengthen linkages in the mining value chain.
* Challenges confronting small-scale mining in the Free State Province.
* Possible recommendations to address these challenges, including legislative amendments
* A spreadsheet of details of all companies/entrepreneurs (formal and informal) participating in small-scale mining and number of people employed.

**4. Project deliverables**

* Submission of interim periodic reports to the Steering Committee for consideration.
* The final report covering all aspects mentioned in the project scope.
* Transfer of data collection, data analysis and data manipulation skills to research officials in the Chief Directorate: Economic Research and Planning.
* Workshop(s) to discuss and present the findings of the study to the department/steering committee.

**5. Research process**

Oversight of the research process will be provided by the Steering Committee comprised of DESTEA’s Economic Research Directorate. The selected service provider will focus on researching and developing deliverables that respond to the specific objectives of this proposed study. The steering committee will ensure that the selected service provider meets all deliverables.

**Responsibilities of the steering committee include the following**:

The steering committee will meet on a bi weekly basis to:

* Consider and approve all deliverables submitted by the successful service provider.
* Provide oversight of the research process.
* Ensure that money is spent according to budget that was agreed upon between the service provider and DESTEA.
* Ensure that the research report addresses the objectives of the study.
* Monitor all the deliverables including expenditure
* During the inception meeting, develop a schedule of meetings of the steering committee.

**6. Service Provider**

**6.1 The successful service provider will:**

* Have a sound knowledge of the mining industry and small-scale mining in the Free State Province in particular.
* Have demonstrable research and analytical skills; and
* The service provider should be based in South Africa and preferably be based in the Free State.
* Accept that the research report and all raw data is the intellectual property of Destea and may not be published without the written consent of the Accounting Officer of Destea.

**6.2 Successful service provider will be required to:**

* Draw on work already done in this area to avoid duplication.
* Report to the steering committee on completion of each deliverable for discussion and validation. Meetings will be held with the steering committee at the end of each deliverable where they will be approved.
* At the end of the project, present the findings to the Chief Directorate: Economic Research and Planning as well as to the Top Management of Destea.

**6.3 Service providers should specify the following in the tender:**

* The project schedule including a work breakdown structure containing a list of tasks needed for the project and time estimates associated with the individual tasks in line with the Terms of Reference specifications.
* The methodological approach to be followed
* The dates on which they expect to complete specified deliverables within the three month project period, after being appointed;
* A schedule of deliverables and proposed meeting dates with the steering committee subject to steering committees approved;
* A list of the proposed project team and team leader and associated CV’s;
* Reference of similar work undertaken;
* Proposals on how to utilise learnerships/internships and transfer skills; and
* A detailed budget quoted in ZAR. This should include a payment schedule linked to each deliverable.

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PART A

INVITATION TO BID

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM, AND ENVIRONMENTAL AFFAIRS (DESTEA)** | | | | | | | | |
| **BID NUMBER:** | RFP05/2022/23 | | **CLOSING DATE:** | | 17 NOVEMBER 2022 | | **CLOSING TIME:** | 11:00 AM |
| **IN THE EVENT THAT A HARD COPY OF THE PROPOSAL DOCUMENT IS NOT RECEIVED ON OR BEFORE THE CLOSING DATE AND TIME, THE BID WILL BE INVALIDATED** | | | | | | | | |
| **DESCRIPTION** | REQUEST FOR PROPOSALS (RFP) OF PROFESSIONAL SERVICE PROVIDERS FOR RESEARCH ON THE IMPACT OF SMALL-SCALE MINING ON THE ECONOMY OF THE FREE STATE | | | | | | | |
| **BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)** | | | | | | | | |
| **TENDER BOX C** | | | | | | | | |
| **GROUNDFLOOR; 113 ST ANDREW STREET BUILDING;** | | | | | | | | |
| **BLOEMFONTEIN** | | | | | | | | |
| **SUPPLY CHAIN MANAGEMENT ENQUIRIES MAY BE DIRECTED TO** | | | | **TECHNICAL ENQUIRIES MAY BE DIRECTED TO:** | | | | |
| **CONTACT PERSON** | | **MR PITSO TLHABANELO** | | **CONTACT PERSON** | | | **ADV. JONAS MOSIA** | |
| **TELEPHONE NUMBER** | | **(051) 400 4744** | | **TELEPHONE NUMBER** | | | **(051) 400 4911** | |
| **E-MAIL ADDRESS** | | **TLHABANELOP@DESTEA.GOV.ZA** | | **E-MAIL ADDRESS** | | | **JMOSIA@DESTEA.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 THE QUESTIONNAIRE BELOW ]** | |
| **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.** | | | | | | | | |

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**PART B**

TERMS AND CONDITIONS FOR BIDDING

|  |  |
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| **1.** | **BID SUBMISSION** |
| **1.1** | Proposals must be delivered by the stipulated time to the correct address. Late Proposals will not be accepted for consideration. |
| **1.2** | All Proposals must be submitted on the official forms provided–(not to be re-typed) or in the manner prescribed in the Proposals document. |
| **1.3** | This Proposals is subject to the Preferential Procurement Policy Framework Act, 2000 and the Preferential Procurement Regulations, 2017, the General Conditions of Contract (GCC) and, if applicable, any other special conditions of contract. |
| **1.4** | the successful Bidder will be required to fill in and sign a written contract form (SBD7.2). |

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| **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](http://www.sars.gov.za). |
| **2.4** | Bidders may also submit a printed TCS Certificate together with the bid. |
| **2.5** | In bids where Consortia / Joint Ventures / Sub-Contractors are involved, each party must submit a separate TCS Certificate / PIN / CSD Number. |
| **2.6** | Where no TCS pin is available but the bidder is registered on the Central Supplier Database (CSD), a CSD Number must be provided. |
| **2.7** | No bids will be considered from Persons in the service of the State, Companies with Directors who are Persons in the service of the State, or Close Corporations with member’s persons in the service of the State.” |

| **3.** | **SPECIAL CONDITIONS** | |
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| **3.1** | **SUBMISSION OF BIDS** | |
| **3.1.1** | Bidders must submit the bid in sealed envelopes to Tender Box A, Groundfloor, 113 St Andrew Street  Building, Bloemfontein by the closing date and time of the bid. | |
| **3.1.2** | In the event that a hard copy of the bid document is not received on or before the closing date and time, the  bid will be invalidated. | |
| **3.1.2** | Bids received after the closing date and time, at the address indicated in the bid documents, will not be accepted for consideration and where practicable, be returned unopened to the Bidder | |
| **3.2** | **OPENING OF BIDS** | |
| **3.2.1** | Bids will be opened publicly immediately on closing date and time stipulated. No faxed and e-mailed bids will be accepted. Bids delivered after the above-mentioned stipulated time and date will not be considered | |
| **3.3** | **MANDATORY REQUIREMENTS** | |
|  | During this phase Bidders’ response will be evaluated based on the mandatory requirements indicated hereunder. This phase is not scored and Bidders who do not submit acceptable tenders by failing to comply with all the mandatory criteria and conditions will be disqualified. | |
| **3.3.1** | **Registration on Central Supplier Database (CSD)** | |
|  | The Bidders must be registered as a service provider on the Central Supplier Database (CSD). If you are not registered proceed to complete the registration of your company prior to submitting your bid. Refer to https://secure.csd.gov.za/ to register your company. Ensure that all documentation on the database are updated and valid. | |
|  | Are you a registered supplier on the Government’s Central Supplier Database (CSD)? (Yes/No) | |
|  | Complete your registered CSD vendor number on the checklist. | |
|  | Provide a copy of the CSD Registration ‘’Summary Report’’. | |
| **3.3.2** | **Valid and Original Tax Clearance Certificate** | |
|  | Bidders must ensure that their tax information on Central Supplier Database (CSD) is in good standing and submit an original valid Tax Clearance Certificate. | |
| **3.3.3** | **Responsive Bids** | |
|  | Bidders must ensure their bids are responsive by completing and signing, where applicable, all relevant bid documents. Non-compliance with this condition will invalidate the bid for such services offered. | |
| **3.4** | **ADJUDICATION OF THE BIDS** | |
|  | The adjudication of bids will be conducted in accordance with PPPFA (.80/20.) and, on price and functionality. The Bid Adjudication Committee will consider the recommendations of the Bid Evaluation Committee and make a recommendation to the HOD: Economic, Small Business Development, Tourism and Environmental Affairs. The most acceptable offer will be the successful bidder. | |
| **3.5** | **AWARD OF CONTRACT** | |
|  | The outcome of the bid will be published in the Provincial Tender Bulletin and on e-Tender Portal.**14.** | |
| **3.6** | **COUNTER CONDITIONS** | |
|  | Bidders’ attention is drawn to the fact that amendments to any of the Bid Conditions or setting of counter conditions by Bidders will result in the invalidation of such bids. | |
| **3.7** | **FRONTING** | |
| **3.7.1** | Government supports the spirit of broad based black economic empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background the Government condemn any form of fronting. | |
| **3.7.2** | The Government, in ensuring that Bidders conduct themselves in an honest manner may, as part of the bid evaluation processes, conduct or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in bid documents. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry, be established during such enquiry / investigation, the onus will be on the Bidder / contractor to prove that fronting does not exist. Failure to do so within a period of 14 days from date of notification may invalidate the bid / contract and may also result in the restriction of the Bidder /contractor to conduct business with the public sector for a period not exceeding ten years, in addition to any other remedies the Department may have against the Bidder / contractor concerned. | |
| **3.8** | **SUPPLIER DUE DILIGENCE** | |
| **3.8.1** | The Government reserves the right to conduct supplier due diligence during evaluation, prior to final award or at any time during the contract period. This may include site visits. | |
| **3.9** | **VERIFICATION OF BIDDERS** | |
|  | During the Bid Evaluation and Adjudication process, the status of the supplier must be verified. Should a default be detected, the procedure for the restriction of the supplier as stated in SCM Practice Note No. 5/2006 will be followed. | |
| **3.10** | **PRESENTATION** | |
| **3.10.1** | The Department may require presentations/interviews from the short-listed Bidders as part of the bid process. | |
| **3.11** | **COMMUNICATION AND CONFIDENTIALITY** | |
| **3.11.1** | The Department of Economic, Small Business Development, Tourism and Environmental Affairs 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. | |
| **3.11.2** | All communication between the Bidder and the Department of Economic, Small Business Development, Tourism and Environmental Affairs must be done in writing. | |
| **3.11.3** | Whilst all due care has been taken in connection with the preparation of this bid, the Department makes no representations or warranties that the content of this bid or any information communicated to or provided to Bidders during the bidding process is, or will be, accurate, current or complete. The Department, and its offers, employees and advisors will not be liable with respect to any information communicated which is not accurate, current or complete. | |
| **3.11.4** | If a Bidder finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the Department (other than minor clerical matters), the Bidder must promptly notify the Department in writing of such discrepancy, ambiguity, error or inconsistency in order to afford the Department an opportunity to consider what corrective action is necessary (if any). | |
| **3.11.5** | Any actual discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the Department will, if possible, be corrected and provided to all Bidders without attribution to the Bidder who provided the written notice. | |
| **3.11.6** | All persons (including Bidders) obtaining or receiving this bid and any other information in connection with this Bid or the Tendering process must keep the contents of the Bid and other such information confidential, and not disclose or use the information except as required for the purpose of developing a proposal in response to this Bid. | |
| **3.11.7** | No material or information derived from the procurement and provision of the services under the contract may be used for any purposes other than those of Department of Economic, Small Business Development, Tourism and Environmental Affairs, except where authorized in writing to do so. All documents will remains the property to the Department of Economic, Small Business Development, Tourism and Environmental Affairs | |
| **3.12** | **FINANCIAL MANAGEMENT** | |
|  | The Department will settle the service providers’ accounts within the agreed payment terms. | |
| **3.13** | **NEGOTIATIONS** | |
| **3.13.1** | The Department reserves the right to negotiate with the shortlisted Bidders prior to award and with the successful Bidder/s post award based on market conditions. | |
| **3.14** | **CONFIDENTIALITY** | |
| **3.14.1** | Information relating to the evaluation of bids and recommendations concerning award shall not be disclosed to the bidder who submitted the proposals or to other persons not officially concerned with the process, until the successful bidder has been notified that he/she has been awarded the contract. | |
| **3.14.2** | No material or information derived from the procurement and provision of the services under the contract may be used for any purposes other than those of Department of Economic, Small Business Development, Tourism and Environmental Affairs, except where authorized in writing to do so. | |
| **3.14.3** | The Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEA) agrees to keep the details of the bidder’s bid strictly confidential, including but not limited to any financial information provided, and will not disclose the content thereof to any third party, except as required and/or authorized by law after awarding of the bid. | |
| **3.15** | **AGREEMENTS** | |
| **3.15.1** | A Service Level Agreement may be entered into with the Department of Economic, Small Business Development, Tourism and Environmental Affairs to clarify specific operational provisions. The Service Level Agreement will be subject to the General Condition of Contract (GCC) and the Special Condition of Contract (SCC). | |
| **3.15.2** | Should funds no longer be available to pay for the execution of the responsibilities of this Bid, the Department may terminate the Agreement in its own discretion or temporarily suspend all or part of the services by notice to the successful bidder who shall immediately make arrangements to stop the performance of the services and minimize further expenditure, provided that the successful bidder shall thereupon be entitled to payment in full for the services delivered, up to the date of cancellation or suspension. | |
| **3.16** | **OFFICIALS PROHIBITED FROM SUBMITTING BIDS** | |
| **3.16.1** | In accordance with Treasury Instruction Note 17 of 2012, an employee of the Free State Provincial Government or a provincial public entity may not have business interest in any entity conducting business with the Provincial Government. | |
| **3.16.2** | According to the Public Service Regulations, 2016, an employee may not do business with any organ of state. | |
| **3.16.3** | The Provincial Government may not award any tender or enter into any contract with an employee in the employment of the State. | |
| **3.16.4** | All bids received contrary to Treasury Instruction Note 17 of 2012 and the Public Service Regulations, 2016 (Regulation 13) shall be disqualified. | |
| **3.17** | **JOINT VENTURE AGREEMENTS** | |
| **3.17.1** | Where an entity forms a Joint Venture or a Consortium with another entity and/or other entities, such parties must express in the bid proposal and a JV agreement should be submitted together with the bid. | |
| **3.17.1** | Individual Entity/ies must all be registered on the CSD and after closing and/or awarding, register a Joint Venture or a Consortium on the CSD. | |
| **3.18** | **REASONS FOR REJECTION OF THE BID** | |
| **3.18.1** | DESTEA reserves the right to return late bids | |
| **3.18.2** | DESTEA reserves the right to determine and reject bids that are not in accordance to specification / Terms of Reference. | |
| **3.18.3** | Bidders shall not contact DESTEA on any matter pertaining to their bids from the closing date to the time the bid has been adjudicated. Any effort by a bidder to influence the bid evaluation or adjudication may result in rejection of the bid concerned. | |
| **3.18.4** | DESTEA shall reject a submission if the bidder has committed a proven corrupt or fraudulent act in competing for a particular contract. | |
| **3.18.5** | DESTEA may disregard any submission if that bidder or any of its directors are guilty of the following transgressions: | |
|  | * Have abused the Supply Chain Management (SCM) system of any Government Department; | |
|  | * Have committed proven fraud or any other improper conduct in relation to such system; | |
|  | * Have failed to perform on any previous contract and the proof thereof exists; and; | |
|  | * Is restricted from doing business with the public sector if such a supplier; | |
|  | * Obtained preferences fraudulently or if such supplier failed to perform on a contract based on the specific goals. | |
| **3.19** | **NON-COMMITMENT** | |
| **3.19.1** | DESTEA is not bound to accept any of the bids submitted. | |
| **3.19.2** | DESTEA reserves the right to withdraw or amend these terms of reference/specification by notice in writing to all parties who have received the terms of reference/specification prior to the closing date. | |
| **3.19.3** | The cost of preparing bids will not be reimbursed. | |
| **3.20** | **ACCEPTANCE OF THE TERMS OF REFERENCE AND GENERAL CONDITIONS OF CONTRACT** | |
| **3.20.1** | Failure to accept the Terms of Reference and the General Conditions of Contract or any part thereof, may result in the bid not being considered. Bidders may not amend any of the Special Conditions or include their own conditions, as such amendments or inclusions will result in disqualification of the bid. | |
|  |  | |
| **4** | **EVALUATION CRITERIA** | |
|  | All proposals received will be subjected to evaluation process. | |
|  | **Stage 1: Compliance** | |
|  | In Stage 1 proposals will be assessed for compliance and completeness. | |
|  | **Stage 2: Functionality** | |
|  | The bidder must score a minimum of 80 points during on functionality of the evaluation to qualify for Stage 3 of the evaluation where only points for price and B-BBEE will be considered | |
|  | **A bid which scores a minimum of 80 points out a total of 100 points on functionality will qualify for further evaluation.** | |
| **5** | **Functional evaluation criteria** | |
|  | The evaluation of the function/technical detail of the proposal will be based on the following criteria: | |
|  | **EVALUATION CRITERIA** | **Score** |
| **5.1** | **EXPERIENCE IN THE INDUSTRY: PROJECT LEADER** | **30** |
|  | (Experience, Profile, Understanding of the project) |  |
|  | **Number of related/similar projects undertaken:** |  |
|  | Project Leader: at least 10 or more projects | **30** |
|  | 5-9 projects | **20** |
|  | 1-5 projects | **10** |
| **5.2** | **EXPERIENCE IN THE INDUSTRY: TEAM MEMBERS** | **20** |
|  | (Experience, Profile, Understanding of the project) |  |
|  | Number of related/similar projects undertaken: |  |
|  | Project team members 5-10 projects | **20** |
|  | Project team members 1-4 projects | **10** |
|  | Project team members 0 projects | **0** |
|  | (Company profile and references must be attached to earn points). |  |
| **5.3** | **PROJECT LEADER & TEAM QUALIFICATIONS**  Within the Service Provider team, one or more of the following skills/competencies should be clearly identifiable per team member:  • Knowledge of the mining industry  • Report writing skills/competencies  • Research skills/competencies  100 % of team meet qualification criteria  80-99 % of team meet qualification criteria  70-79 % of team meet qualification criteria  Below 70 % of team meet qualification criteria  Documented examples of skills/competencies should be attached for each team member | **20**  **20**  **10**  **5**  **0** |
| **5.4** | **RESEARCH METHODOLOGY** | **10** |
|  | Mixed method/Amalgamation(Qualitative & Quantitative) | **10** |
|  | Qualitative approach | **5** |
|  | Quantitative approach | **5** |
| **5.5** | **PROJECT PLAN** | **10** |
|  | Work break down structure | **3** |
|  | Phases of the project | **3** |
|  | Cost break down of project | **4** |
| **5.6** | **CAPACITY BUILDING** | **10** |
|  | Capacitate 5 or more DESTEA officials: | **10** |
|  | Capacitate 1-4 DESTEA officials | **5** |
|  | **TOTAL** | **100** |
|  | **\*MININUM POINTS TO QUALIFY FOR STAGE 2** | **70** |
|  | Bids will be evaluated strictly according to the bid evaluation criteria stipulated in this section. |  |
|  | Bidders must, as part of their bid documents, submit supportive documentation for all functional requirements as indicated in the Terms of Reference. The panel responsible for scoring the respective bids will evaluate and score all bids based on their submissions and the information provided. |  |
|  | The Department reserves the right to determine the number of service providers to provide required services. |  |

| **6.** | **PAYMENT TERMS** | |
| --- | --- | --- |
| **6.1** | DESTEA undertakes to pay valid tax invoices in full within thirty (30) days for work done to its satisfaction upon presentation of a substantiated tax invoice or claim. | |
| **6.2** | No payment will be made where there is outstanding information or where the service delivered did not satisfy the department (DESTEA), in which case the Professional Service Provider will be requested to rectify the situation to meet the requirements of the department. | |
| **6.3** | Payments to the appointed service provider will be done as part payments, on submission of the relevant invoices and documentation to a maximum of 12 part payments per financial year. This is subject to SCM processes within the Department and may be changed as such depending on the circumstances at the time. | |
| **7.** | **PROJECT TIMELIME** | |
| 7.1 | It is projected that the service provider will take a maximum of **three months** to undertake the research and produce the deliverables. The commencement date for the study will be the first day after the appointment of the successful service provider. | |
| **8.** | | **PROPOSALS VALIDITY PERIOD** |
| 8.1 | | **Ninety (90**) days for the closing date and time |
| **9.** | | **OPENING OF PROPOSALS** |
| **9.1** | | Proposals will be opened publicly immediately on closing date and time stipulated. |
| **9.2** | | No faxed and e-mailed Proposals will be accepted. |
| **9.3** | | Proposals delivered after the above-mentioned stipulated time and date will not be considered. |

**NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID**.

SIGNATURE OF BIDDER: ……………………………………………

CAPACITY UNDER WHICH THIS BID IS SIGNED: ……………………………………………

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

DATE: …………………………………………...

**SBD 3.3**

**PRICING SCHEDULE**

**(Professional Services)**

|  |
| --- |
| NAME OF BIDDER: ………………………………………………………………………………………………BID NO.: **RFP05/2022/23**………  CLOSING TIME 11:00 CLOSING DATE **17 NOVEMVER 2022** |

OFFER TO BE VALID FOR **90 DAYS** FROM THE CLOSING DATE OF BID.

ITEM DESCRIPTION BID PRICE IN RSA CURRENCY

NO \*\*(ALL APPLICABLE TAXES INCLUDED

1. The accompanying information must be used for the formulation of proposals.

2. Bidders are required to indicate a ceiling price based on the total

estimated time for completion of all phases and including all

expenses inclusive of all applicable taxes for the project. R………..………………………...

3. PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND

RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)

4. PERSON AND POSITION HOURLY RATE DAILY RATE

------------------------------------------------------------------ R---------------- -------------------

------------------------------------------------------------------ R---------------- -------------------

------------------------------------------------------------------ R---------------- -------------------

------------------------------------------------------------------ R---------------- -------------------

5. PHASES ACCORDING TO WHICH THE PROJECT WILL BE

COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT

------------------------------------------------------------------ R-------------- ----------------- days

------------------------------------------------------------------ R-------------- ----------------- days

------------------------------------------------------------------ R-------------- ----------------- days

------------------------------------------------------------------ R-------------- ----------------- days

5.1 Travel expenses (specify, for example rate/km and total km, class

of airtravel, etc). Only actual costs are recoverable. Proof of the

expenses incurred must accompany certified invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED RATE QUANTITY AMOUNT

------------------------------------------------------------------- ……… ………….. R………………..

-------------------------------------------------------------------- ,,,,,,…. ………….. R………………..

-------------------------------------------------------------------- …,,,…. ………….. R………………..

-------------------------------------------------------------------- ……. ………….. R………………..

TOTAL: R……………………………………….

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

5.2 Other expenses, for example accommodation (specify, eg. Three

star hotel, bed and breakfast, telephone cost, reproduction cost,

etc.). On basis of these particulars, certified invoices will be checked

for correctness. Proof of the expenses must accompany invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED RATE QUANTITY AMOUNT

------------------------------------------------------------------ ………………. …………….. R………………..

--------------------------------------------------------------------- ………………. …………….. R………………..

------------------------------------------------------------------- ………………. …………….. R………………..

-------------------------------------------------------------------- ………………. …………….. R………………..

TOTAL: R………………………………………………….

6. Period required for commencement with project after

acceptance of bid ……………………………………………………………….

7. Estimated man-days for completion of project ……………………………………………………………….

8. Are the rates quoted firm for the full period of contract? \*YES/NO

9. If not firm for the full period, provide details of the basis on which

adjustments will be applied for, for example consumer price index. …………………………………………………….

…………………………………………………….

…………………………………………………….

…………………………………………………….

\*[Delete if not applicable]

Any enquiries regarding bidding procedures may be directed to the –

(INSERT NAME AND ADDRESS OF DEPARTMENT/ENTITY)

Tel:

Or for technical information –

(INSERT NAME OF CONTACT PERSON)

Tel:

**SBD4**

**BIDDER’S DISCLOSURE**

1. **PURPOSE OF THE FORM**

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

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

1. **Bidder’s declaration**

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

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

|  |  |  |
| --- | --- | --- |
| **Full Name** | **Identity Number** | **Name of State institution** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

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

2.2.1 If so, furnish particulars:

……………………………………………………………………………………

……………………………………………………………………………………

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

* + 1. If so, furnish particulars:

…………………………………………………………………………….

…………………………………………………………………………….

1. **DECLARATION**

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

3.1 I have read and I understand the contents of this disclosure;

3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;

3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium[[4]](#footnote-4) will not be construed as collusive bidding.

3.4In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.

3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

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

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

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

……………………………… ..……………………………………………

Signature … Date

……………………………… ………………………………………………

Position Name of bidder

**SBD 6.1**

**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. 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).

a) 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. Points for this bid shall be awarded for:

1. Price; and
2. B-BBEE Status Level of Contributor.
   1. 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. 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.
  2. 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.

1. **DEFINITIONS**
2. **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
3. “**B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
4. **“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;
5. **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
6. **“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;
7. **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
8. **“price”** includes all applicable taxes less all unconditional discounts;
9. **“proof of B-BBEE status level of contributor”** means:
10. B-BBEE Status level certificate issued by an authorized body or person;
11. A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
12. Any other requirement prescribed in terms of the B-BBEE Act;
13. **“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;
14. **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

**FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES**

1. **POINTS AWARDED FOR PRICE**
   1. **THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS**

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

**80/20 or 90/10**

or

Where

Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

Pmin = Price of lowest acceptable bid

* 1. **FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME-GENERATING PROCUREMENT**
  2. **POINTS AWARDED FOR PRICE**

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

**80/20 or 90/10**

or

Where

Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

Pmax = Price of highest acceptable bid

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

1. **BID DECLARATION**
   1. Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:
2. **B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1** 
   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.

**SUB-CONTRACTING**

* 1. Will any portion of the contract be sub-contracted?

(***Tick applicable box***)

|  |  |  |  |
| --- | --- | --- | --- |
| YES |  | NO |  |

* + 1. If yes, indicate:

1. What percentage of the contract will be subcontracted............…………….…………%
2. The name of the sub-contractor…………………………………………………………..
3. The B-BBEE status level of the sub-contractor......................................……………..
4. Whether the sub-contractor is an EME or QSE

***(Tick applicable box***)

|  |  |  |  |
| --- | --- | --- | --- |
| YES |  | NO |  |

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

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

1. **DECLARATION WITH REGARD TO COMPANY/FIRM**
   1. Name of company/firm:…………………………………………………………………………….
   2. VAT registration number:……………………………………….…………………………………
   3. Company registration number:…………….……………………….…………………………….
   4. **TYPE OF COMPANY/ FIRM**

Partnership/Joint Venture / Consortium

One person business/sole propriety

Close corporation

Company

(Pty) Limited

[Tick applicable box]

* 1. **DESCRIBE PRINCIPAL BUSINESS ACTIVITIES**

…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………...

* 1. COMPANY CLASSIFICATION

Manufacturer

Supplier

Professional service provider

Other service providers, e.g. transporter, etc.

[*Tick applicable box*]

* 1. Total number of years the company/firm has been in business:……………………………
  2. 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:

1. The information furnished is true and correct;
2. The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
3. 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;
4. 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 –
   1. disqualify the person from the bidding process;
   2. recover costs, losses or damages it has incurred or suffered as a result of that person’s conduct;
   3. 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;
   4. 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
   5. forward the matter for criminal prosecution.

WITNESSES

1. ……………………………………..
2. …………………………………….

……………………………………….

SIGNATURE(S) OF BIDDERS(S)

DATE: …………………………………..

ADDRESS …………………………………..

…………………………………..

…………………………………..

**Annexure A**

**GOVERNMENT PROCUREMENT**

**GENERAL CONDITIONS OF CONTRACT**

**NOTES**

The purpose of this document is to:

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

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

* The General Conditions of Contract will form part of all bid documents and may not be amended.

* Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if (applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

|  |  |  |  |
| --- | --- | --- | --- |
| **TABLE OF CLAUSES** | | |  |
| 1 | Definitions | |  |
| 2 | Application | |  |
| 3 | General | |  |
| 4 | Standards | |  |
| 5 | Use of contract documents and information; inspection | | |
| 6 | Patent rights | |  |
| 7 | Performance security | |  |
| 8 | Inspections, tests and analysis | |  |
| 9 | Packing | |  |
| 10 | Delivery and documents | |  |
| 11 | Insurance | |  |
| 12 | Transportation | |  |
| 13 | Incidental services | |  |
| 14 | Spare parts | |  |
| 15 | Warranty | |  |
| 16 | Payment | |  |
| 17 | Prices | |  |
| 18 | Contract amendments | |  |
| 19 | Assignment | |  |
| 20 | Subcontracts | |  |
| 21 | Delays in the supplier’s performance | | |
| 22 | Penalties | |  |
| 23 | Termination for default | |  |
| 24 | Dumping and countervailing duties | | |
| 25 | Force Majeure | |  |
| 26 | Termination for insolvency | |  |
| 27 | Settlement of disputes | |  |
| 28 | Limitation of liability | |  |
| 29 | Governing language | |  |
| 30 | Applicable law | |  |
| 31 | Notices | |  |
| 32 | Taxes and duties | |  |
| 33 | National Industrial Participation Programme (NIPP) | | |
| **1.** | **Definitions** | **1** | The following terms shall be interpreted as indicated |
|  |  | **1.1** | “Closing time” means the date and hour specified in the bidding documents for the receipt of bids |
|  |  | **1.2** | “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein. |
|  |  | **1.3** | “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations. |
|  |  | **1.4** | “Corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution. |
|  |  | **1.5** | "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally. |
|  |  | **1.6** | “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components. |
|  |  | **1.7** | “Day” means calendar day. |
|  |  | **1.8** | “Delivery” means delivery in compliance of the conditions of the contract or order. |
|  |  | **1.9** | “Delivery ex stock” means immediate delivery directly from stock actually on hand. |
|  |  | **1.10** | “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained |
|  |  | **1.11** | "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA. |
|  |  | **1.12** | ”Force majeure” means an event beyond the control of the supplier and not involving the supplier’s fault or negligence and not foreseeable. |
|  |  |  | Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes. |
|  |  | **1.13** | “Fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition. |
|  |  | **1.14** | “GCC” means the General Conditions of Contract. |
|  |  | **1.15** | “Goods” means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract. |
|  |  | **1.16** | “Imported content” means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured. |
|  |  | **1.17** | “Local content” means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place. |
|  |  | **1.18** | “Manufacture” means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities. |
|  |  | **1.19** | “Order” means an official written order issued for the supply of goods or works or the rendering of a service. |
|  |  | **1.20** | “Project site,” where applicable, means the place indicated in bidding documents. |
|  |  | **1.21** | “Purchaser” means the organization purchasing the goods. |
|  |  | **1.22** | “Republic” means the Republic of South Africa. |
|  |  | **1.23** | “SCC” means the Special Conditions of Contract. |
|  |  | **1.24** | “Services” means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract. |
|  |  | **1.25** | “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing. |
| **2.** | **Application** | **2.1** | These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents |
|  |  | **2.2** | Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works. |
|  |  | **2.3** | Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply |
| **3.** | **General** | **3.1** | Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged. |
|  |  | **3.2** | With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from [www.treasury.gov.za](http://www.treasury.gov.za) |
|  |  | **3.3** | The goods supplied shall conform to the standards mentioned in the bidding documents and specifications. |
| **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. |
|  |  |  | 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. |
|  |  |  | 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. |
|  |  |  | 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) 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 analysis** | **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. |
|  |  | **18.7** | 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 7 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. |
|  |  |  | 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. |
|  |  |  | 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 |
|  |  |  | 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. |
|  |  |  | 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. |
|  |  |  | 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 |
|  |  |  | 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. |
|  |  |  | 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. |
|  |  |  | 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 11 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 antidumping 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, 12 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. |
|  |  |  | If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event. |
| **26** | **Termination for insolvency** | **26.1** | The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser. |
| **27** | **Settlement of Disputes** | **27.1** | If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation. |
|  |  | **27.2** | If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party. |
|  |  | **27.3** | Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law. |
|  |  | **27.4** | Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC |
|  |  | **27.5** | Notwithstanding any reference to mediation and/or court proceedings herein, |
|  |  |  | (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and |
|  |  |  | (b) the purchaser shall pay the supplier any monies due the supplier. |
| **28.** | **Limitation of liability** | **28.1** | Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6; |
|  |  |  | (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and |
|  |  |  | (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment |
| **29.** | **Governing language** | **29.1** | The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English. |
| **30.** | **Applicable law** | **30.1** | The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC |
| **31.** | **Notices** | **31.1** | Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice |
|  |  | **31.2** | The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice. |
| **32.** | **Taxes and duties** | **32.1** | A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser’s country. |
|  |  | **32.2** | A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser. |
|  |  | **32.3** | No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services |
| **33.** | **National Industrial Participation (NIP) Programme** | **33.1** | The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation. |

1. DMRE.<https://www.gov.za/about-sa/minerals#:~:text=Industrial%20minerals,-South%20Africa%20boasts&text=According%20to%20the%20Minerals%20Council%20South%20Africa%2C%20in%202019%20industrial,while%20export%20sales%20contributed%20R3>. [↑](#footnote-ref-1)
2. Free State Treasury: Provincial Economic Review and Outlook, 2014 [↑](#footnote-ref-2)
3. <https://www.dmr.gov.za/mineral-policy-promotion/operating-mines/free-state> [↑](#footnote-ref-3)
4. 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. [↑](#footnote-ref-4)