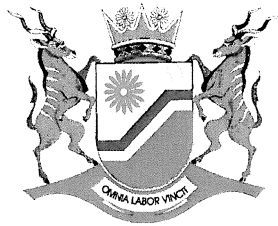


MPUMALANGA PROVINCIAL GOVERNMENT



DEPARTMENT OF HEALTH

BID NUMBER: HEAL/228/25/MP

**OUTSOURCING THE MANAGEMENT OF
PROCUREMENT, WAREHOUSING, AND
DISTRIBUTION OF PHARMACEUTICALS AND
SURGICAL SUNDRIES AND THE MANAGEMENT
OF INFORMATION FOR THE DEPARTMENT OF
HEALTH MPUMALANGA PROVINCE FOR A
PERIOD OF THREE (03) YEARS**

ISSUED BY:

Department of Health
Private Bag X11205
Mbombela
1200

NAME OF BIDDER:
TOTAL BID PRICE (all inclusive) :.....
(Also in words):
.....

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF HEALTH					
BID NUMBER:	HEAL/228/25/MP	CLOSING DATE:	09 June 2025	CLOSING TIME:	12H00
DESCRIPTION	OUTSOURCING THE MANAGEMENT OF PROCUREMENT, WAREHOUSING, AND DISTRIBUTION OF PHARMACEUTICALS AND SURGICAL SUNDRIES AND THE MANAGEMENT OF INFORMATION FOR THE DEPARTMENT OF HEALTH MPUMALANGA PROVINCE FOR A PERIOD OF THREE (03) YEARS				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
MBOMBELA, Riverside Government Complex, Building No 9, Government Boulevard, Mbombela, 1200, PIET RETIEF , No. 11 Measroch Street, Piet Retief Office, KWAMHLANGA , KwaMhlanga Government Complex, Department of Finance, Building No. 12, Computer Centre EVANDER , 10 Cornell Road (previously occupied by Evander Home Affairs Offices), Evander, 2280, BUSHBUCKRIDGE , The Provincial Treasury, R40 Road, Bakoena Business Complex, Bushbuckridge, 1280 MIDDELBURG , Department of Public Works, Cnr. Lillian Ngoyi and Dr Beyers Naudé Streets – Old TPA Building, Upper ground floor, Office numbers A20, 21 and 25, MALELANE , 24 Air Street, Malelane, ELUKWATINI , Elukwatini Sub Regional offices, Office numbers A49 and A50 (opposite Elukwatini Community Hall) Stand number 12 Extension A, Elukwatini 1192. SIYABUSWA Old Parliament Building, Building No.1, Job Skhosana Street, Siyabuswa 0472					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	Ms. B Thela		CONTACT PERSON	Mr. CS Sibiya	
TELEPHONE NUMBER	013 283 9000		TELEPHONE NUMBER	013 766 3202	
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	BabalwaT@mpuhealth.gov.za		E-MAIL ADDRESS	CecilS@mpuhealth.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
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.					

PART B
TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.
1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).
2. TAX COMPLIANCE REQUIREMENTS
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

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

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:
(Proof of authority must be submitted e.g. company resolution)

DATE:

MPUMALANGA DEPARTMENT OF HEALTH



SPECIFICATION FOR THE OUTSOURCING THE MANAGEMENT OF PROCUREMENT, WAREHOUSING, AND DISTRIBUTION OF PHARMACEUTICALS AND SURGICAL SUNDRIES AND THE MANAGEMENT OF INFORMATION FOR THE DEPARTMENT OF HEALTH MPUMALANGA PROVINCE FOR A PERIOD OF THREE (3) YEAR

I. PREAMBLE

The Department of Health in the Mpumalanga Province contracts out the management of the of procurement; warehousing, and management of the information in the Depot and distribution of pharmaceuticals, surgical to the three districts in the Mpumalanga Province covering 29 hospitals and 303 primary health care facilities. The hospitals are using the RX Solution; depot is currently using a warehouse management system called Pharmaceutical Distribution System. According to **Mpumalanga Community Survey 2016 results**, the total population recorded for Mpumalanga in 2016 was 4, 4 million, an increase from the population of 4, 1 million in 2011, making it the fourth smallest province in the country in terms of population size, after the North West. 49, 3% of the population in the province are male and 50, 7% are female. The number of households increased from 1 075 488 in 2011 to 1 238 861 in 2016. Average household size in the province decreased from 3, 8 in 2011 to 3, 5 in 2016. Ehlanzeni (483 903) has the highest number of households.,

The increase in the population warrants more resources for attainment of health outcomes, as the rest of the country the province faces a quadruple burden of diseases. HIV and AIDS, Tuberculosis, high Maternal and Child Mortality, Non-Communicable disease like Malaria, Communicable diseases, and Violence and Injuries continue to take a toll on the citizens of the Province. Compounding on these unfavourable conditions, are adverse socio-economic determinants such as poverty and inadequate access to essential services such as electricity, proper sanitation and access to potable water.

It is against the above background that the Department of Health outsources the **MANAGEMENT/OPERATIONS OF PROCUREMENT, WAREHOUSING, AND DISTRIBUTION OF PHARMACEUTICALS AND SURGICAL SUNDRIES AND MANAGEMENT OF INFORMATION** which then covers the services as stated below:

1. Finance and Procurement

- a) Ordering in line with the Supply Chain Management prescripts as well as prescripts governing the procurement of pharmaceuticals
- b) Contract management
- c) Processing of Supplier Payments
- d) Performance management and reporting
- e) Safe keeping of records

2. Warehouse

- a) Receiving
- b) Warehousing
- c) Stock management
- d) Picking and Packaging of facility orders
- e) Pre-packing
- f) Issuing and invoicing the facilities
- g) Performance management and Reporting

3. Client Liaison

- a) Receiving and processing of facility orders
- b) Management of back orders
- c) Management of information

4. Distribution

- a) Provide and manage fleet suitable for distribution of Pharmaceuticals
- b) Dispatch and Delivery of stock to facilities

5. Management of the information

- a) ICT systems and support services
- b) Maintenance of records
- c) Safeguarding and safe keeping of information and records

6. Human Resource, skills development and transfer

- a) Executive Management
- b) Middle management
- c) Operational management
- d) Technical personnel
- e) Support personnel
- f) Training programmes
- g) Skills development and transfer programmes

7. Facility Management

- a) Risk Management
- b) Disaster Management
- c) Occupational Health and Safety
- d) Utilities (supply of water and electricity)
- e) Communications
- f) Security
- g) Maintenance of facility and equipment (SLA give guidance on minor and major maintenance issues)
- h) Insurances

8. Quality assurance

- a) Compliance to statutory requirements
- b) Maintenance of Quality Management System for pharmaceuticals

The above stated sections are elaborated in the technical specification of this bid document.

II. GENERAL CONDITIONS OF BID

This bid and all contracts will be subjected to the attached General Conditions of Contract issued by the National Treasury.

III. SPECIAL CONDITIONS OF BID

The following special conditions of the Contract are supplementary to the General Conditions of Contract issued by National Treasury. However, where the special conditions of contract are in conflict with the general conditions of contract, the special conditions of contract shall prevail.

1. Procurement

1.1. Demand Planning

The PRINCIPAL will conduct needs analysis and develop a demand plan. The CONTRACTOR shall be responsible for all Procurement in line with the procurement plan and provincial code list. The PRINCIPAL shall grant approval of all procurement. The PRINCIPAL and the CONTRACTOR must abide by the Prevention and Combating of Corrupt Activities 12 of 2004.

The CONTRACTOR must develop a procurement schedule with clear time lines and ordering schedules. The procurement method used must be aligned with the current running contracts on which the PRINCIPAL is a participant.

Purchase of stock by the depot shall be guided by demand and off-take/consumption by all approved facilities data. All approved facilities backorders to be placed onto stock management system for demand planning purposes. The CONTRACTOR shall place orders for Tenders based on the above demand and off take consumption.

1.2. Acquisition

Only items on the provincial code list supplied by the PRINCIPAL or items approved by the PRINCIPAL shall be acquired by the CONTRACTOR on behalf of the PRINCIPAL.

Items requested by approved facilities not available on Transversal, National and Provincial contracts shall only be procured after written authorisation has been obtained from the PRINCIPAL. The CONTRACTOR shall keep record of these items and inform the PRINCIPAL in writing at the end of each month as to which items and their value thereof were purchased through this system.

Items that are on the provincial formulary but not on Transversal, National and Provincial contracts shall be procured through quotation process in accordance with supply chain management prescripts.

The PRINCIPAL shall authorise all purchase orders as per the approved SCM delegations.

The CONTRACTOR undertakes to comply with supply chain management regulations, PFMA and all practice notes and circulars issued from time to time by both National and Provincial Treasury and all other relevant applicable legislations.

The responsibility of stock availability remains with the CONTRACTOR. The CONTRACTOR must procure stock to maintain stock availability at 95% and above for essential, vital and critical stock items.

The CONTRACTOR must be able to generate orders based on the parameters set by the PRINCIPAL which parameters shall include but not limited to:

- Safety stock levels of individual items
- Minimum and maximum quantities of individual items
- Lead Time
- Reorder levels

The CONTRACTOR shall be required to maintain stock level of 12 weeks for individual items unless there is a justified reason to increase such levels, in which case a request shall be made in writing, by the CONTRACTOR to the PRINCIPAL, to increase stock level.

The CONTRACTOR shall place orders, confirm receipt of orders and do follow ups with suppliers on a weekly basis. The report on follow up communication shall be submitted to the PRINCIPAL on a weekly basis.

1.3. Supplier performance management

The CONTRACTOR shall be responsible for follow ups on all tender orders that are beyond the contracted lead time with suppliers. The CONTRACTOR must issue warning letters to suppliers with overdue tender orders and obtain approval from the PRINCIPAL before a buy-out can be initiated. The Supplier will therefore be informed of the intention of the buy-out.

A Buy-Out process is to be implemented and all respective penalties to be deducted from supplier payments. The CONTRACTOR will charge the supplier penalties on all overdue tender orders in accordance with the GENERAL CONDITIONS OF THE CONTRACT.

The contractor shall provide a report on all operations outstanding orders, buy outs initiated and progress thereof to the PRINCIPAL on a monthly basis.

1.4. Contract management

Procurement of Pharmaceutical Products, Medical Devices, and In-vitro Device (IVDs)

- a. Supplier Qualification Process, including criteria based on medicinal products supplied
- b. Approved Supplier List

Records of checks to be conducted on potential suppliers, including verification of licences and certifications documentation of supplier evaluations and audits, procedures for addressing non-compliance or deviations from established standards

2. RECEIVING

2.1. The CONTRACTOR shall maintain all stock receiving procedures.

2.2. The CONTRACTOR shall upon the arrival of the product conduct visual inspection for any signs of damage or tampering, verification of product, quality and quantity and expiration dates, and comparison with the accompanying documentation such as purchase orders and delivery note.

There must be protocols in place to handle any discrepancies or issues identified during the receiving process, including communication with the supplier and proper documentation of any actions taken. Reports to be submitted by the CONTRACTOR to the PRINCIPAL

SPECIFICATION FOR THE OUTSOURCING THE MANAGEMENT OF PROCUREMENT, WAREHOUSING, AND DISTRIBUTION OF PHARMACEUTICALS AND SURGICAL SUNDRIES AND THE MANAGEMENT OF INFORMATION FOR THE DEPARTMENT OF HEALTH MPUMALANGA PROVINCE FOR A PERIOD OF THREE (3) YEAR

The CONTRACTOR must implement the procedures provided by the PRINCIPAL in writing on handling of falsified/suspected counterfeit medical products; product returns/recall and rejections, product tracking & traceability and cold chain monitoring. The Procedure Manual shall be used by the CONTRACTOR for the training of both the PRINCIPAL's and CONTRACTOR's employees. Procedure Manual shall at all reasonable times be available for inspection by the PRINCIPAL and shall on termination of this agreement be handed to the PRINCIPAL.

- 2.3.** The CONTRACTOR shall supply the PRINCIPAL with all the signed (accounted for) vouchers of goods received by the CONTRACTOR on a daily basis, recording every item that has been received. These receipts will be reflected on the stock management system and all summaries under goods received report.

The CONTRACTOR shall not receive any stock with an expiry date of less than twelve (12) months. In case where the CONTRACTOR receives short dated stock, the CONTRACTOR must obtain a protection letter from the Supplier confirming that they will uplift should the stock expire prior to full utilization. The CONTRACTOR must obtain a written approval from the PRINCIPAL to receive short dated stock. Any stock with protection that end up expiring in the warehouse must, in line with the conditions of the protection be collected by the supplier. A credit must be passed by the supplier in this regard. Any delivery of short-dated products without prior written approval must be collected by the respective suppliers at their own cost.

Report on short dated stock received; due to be collected and stock collected by supplier must be provided in a monthly report.

3. Warehouse Management:

- 3.1.** The PRINCIPAL shall provide a warehouse licensed/ registered with the NDoH, SAHPRA and the SAPC in accordance with the Medicine and Related Substances Control Act 101 of 1965 as amended to the CONTRACTOR. The parties also agree that should there be any intention by the PRINCIPAL to change the location of the warehouse, it shall be the responsibility of the PRINCIPAL to notify the CONTRACTOR ninety (**90**) days in advance before the implementation of such decision. This notification shall only be valid if it is in writing.
- 3.2.** In case an additional storage/warehouse area is required, it is the responsibility of the PRINCIPAL to provide such storage/warehouse.
- 3.3.** The CONTRACTOR in conjunction with the PRINCIPAL is required to ensure that the warehouse complies with South African Health Products Regulatory Authority (SAHPRA) and SAPC regulations and maintain registration.

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- 3.4. The equipment and arrangement of the warehouse shall conform to applicable Occupation Health and Safety norms and standards, including the Occupation Act No. 130 of 1993. This shall remain the responsibility of the CONTRACTOR for the duration of the contract.
- 3.5. The CONTRACTOR shall ensure that physical security measures are in place for the building to protect unauthorized access to the premises where the PRINCIPAL's inventory / stock is stored, the security measures of which shall be the responsibility of the CONTRACTOR. The risk of loss or damage will rest with the CONTRACTOR whilst such inventory remains in the CONTRACTOR's possession.
- 3.6. The CONTRACTOR undertakes to arrange stock in accordance with the most efficient warehousing methods and plans for the stock configuration to be provided by the PRINCIPAL. All items warehoused at the depot must be allocated "bin locations" and this shall be recorded on the computerized stock control system.
- 3.7. For the purpose of control, the CONTRACTOR shall ensure that pharmaceuticals and surgical sundries are stored separately. It shall be the responsibility of the CONTRACTOR to ensure that there is segregation of duties and restriction of movement between the two storage areas. Pharmaceutical stock must be protected from harmful effects of light, temperature, moisture and other external factors. Particular attention must be paid to products requiring specific storage conditions.
- 3.8. In cases where there are excessive quantities of stock, expired or short dated stock and product package quality issues, which are present at the date of takeover by the CONTRACTOR, this should also be recorded and be given to the PRINCIPAL for filing purposes so as to ensure that the CONTRACTOR does not fall foul of the qualifications in regard to stock holdings.
- 3.9. The CONTRACTOR shall not receive any stock with an expiry date of less than twelve (12) months pharmaceutical items without prior written confirmation from suppliers, that the supplier will uplift stock should stock expire prior to full utilization. Should such stock be received the management in terms of returns to suppliers (as per the stock protection letter conditions) and relevant financial credit remains for the responsibility of the CONTRACTOR. Should stock expire due to negligence of the CONTRACTOR in terms of management of short dated stock, the expired stock will be for the account of the CONTRACTOR. Should there be any expired stock on commencement of the contract the PRINCIPAL will be responsible.
- 3.10 The PRINCIPAL shall not accept any losses due to expired stock in the warehouse.
The CONTRACTOR will be liable for the actual cost of damaged, expired and obsolete stock as
a result of negligence, and carry the costs of disposal thereof.
- 3.10. Expired stock losses will ONLY be accepted if proof is supplied that the PRINCIPAL had indeed authorised that the changes in the Standard Treatment Guidelines are the cause of expired stock. Expired or damaged stock shall not be written off the computer system without prior written authorisation by the PRINCIPAL. The responsibility of disposal of expired stock remains with the PRINCIPAL.

- 3.11. The CONTRACTOR shall manage stock properly and to ensure that loss of stock through damage, expiry and obsolescence is limited. Expired, obsolete and damaged stock shall be to the account of the CONTRACTOR after taking all factors which may have led to this problem unless otherwise these are outside the CONTRACTOR's control. Such factors shall include but not limited to the following:
- 3.11.1. Changes in treatment protocols, which affected usage
 - 3.11.2. Stock ordered wrongly by institutions and returned to the depot in which case efforts to take it back to the supplier failed. Evidence of such must be presented by the CONTRACTOR.
 - 3.11.3. Stock of poor quality which during the process of returning it to the supplier, the CONTRACTOR found out that the supplier had been liquidated or is no longer in business
- 3.12. The PRINCIPAL shall not accept any losses due to damage or soiling of stock warehoused at the depot or being transported by the CONTRACTOR. Cost of such stocks shall be for the account of the CONTRACTOR. Should there be any such stock on commencement of contract the PRINCIPAL shall take full responsibility for this aforesaid stock. Stock losses due to damage will ONLY be accepted if proven that it was due to major infrastructural inefficiency/shortcoming.
- 3.13. Proper and prescribed cold storage shall be maintained for all thermolabile medicines. The CONTRACTOR shall be required to maintain cold chain according to the specifications of the storage area and the thermolabiles.
- 3.14. The CONTRACTOR shall be responsible for the management and maintenance of the temperature controlled storage areas for all medicines, medical device and IVD as per the minimum standard outlined in the PIC/S and WHO Guidance – Good Distribution practice and Storage and Transport of Medicinal Products **Technical Report Series No 961, 2011**.
- 3.15. Should there be any stock damaged as result of cold chain breakage within the warehouse or during transportation, a penalty equal to the value of the damaged stock and the cost of disposal will be imposed on the CONTRACTOR unless such damage was as a result of Acts of God which is outside the CONTRACTOR's control and/or circumstances beyond the reasonable control of the CONTRACTOR, in which event the CONTRACTOR cannot be held liable
- 3.16. It is the responsibility of the PRINCIPAL to ensure that the warehouse is equipped with an operational backup generator to ensure proper cold storage maintenance should there be any power failures, cuts or interruptions. The CONTRACTOR will be responsible for the running costs of the generator and maintenance thereof.
- 3.17. The CONTRACTOR must ensure that stock is rotated according to the first expiry, first out (FEFO) principle.

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- 3.18. The CONTRACTOR further undertakes to carry out bi-weekly cycle stock counts in line with the approved SOP for cyclic counts.
- 3.19. The CONTRACTOR shall perform bi-annual financial stock takes with the PRINCIPAL in the presence of PRINCIPAL's Internal Auditors in accordance with the approved Standard Operating Procedure (SOP). The CONTRACTOR shall supply the PRINCIPAL with a detailed written report of the results of the stock counts, which shall be submitted to the PRINCIPAL within 15 (fifteen) working days after completion of the stock count. Any discrepancies whether excessive or less, shall be thoroughly investigated by the two parties.
- 3.20. Should the CONTRACTOR even after such investigations still not be able to account for such discrepancies, the CONTRACTOR shall be obliged, to reimburse the PRINCIPAL with an amount equal to the value of stock in the case of a shortage.
- 3.21. The CONTRACTOR shall furnish a full detailed report on the results of the stock take, before any adjustments can be made into the computer system.
- 3.22. The CONTRACTOR shall not to refuse and/or put any restrictions for the PRINCIPAL in the execution of the monitoring functions, which functions shall also include spot or thorough stock checks without prior notification of the CONTRACTOR.

4. CLIENT LIASON

- 4.1. The CONTRACTOR must set up a call Centre unit with a call management system
- 4.2. All Calls must be logged on a call management system
- 4.3. Only orders authorized by delegated officials must be processed
- 4.4. Authorized Orders will be processed in accordance with the Standard Operating Procedures. The CONTRACTOR shall monitor and notify the PRINCIPAL of unduly large volumes ordered by the institutions and will only execute such orders on authorization by the PRINCIPAL.
- 4.5. Weekly reports on calls logged to be generated
- 4.6. All communications between the facilities and the depot must be managed through the client liaison unit.

5. Distribution

- 5.1. The CONTRACTOR shall use and maintain own/subcontracted (SLA with a third party, where applicable) transport to distribute to all institutions under the PRINCIPAL's control. Vehicles used to deliver pharmaceuticals must be temperature controlled and be suitable for transportation of temperature sensitive pharmaceuticals and temperature must be monitored continuously with calibrated WHO approved continuous temperature monitoring device during transit. Vehicles must be qualified, transport routes must be

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validated, and monitoring equipment must be calibrated according to a predefined procedure. Vehicles must be fitted with a continuous tracking device, and the bidder must monitor the vehicles in transit when delivering pharmaceuticals. Vehicle must be kept clean at all times. Cleaning of the vehicles must be conducted according to a schedule and documented accordingly.

- 5.2. It is the responsibility of the CONTRACTOR to maintain and service vehicles. Pharmaceutical products, medical devices, and IVDs in transit must be insured by the CONTRACTOR. The CONTRACTOR shall be responsible for training of Fleet Staff on Handling Pharmaceutical Goods and training on products requiring special handling, i.e., thermolabile goods, Schedule 5 and 6 goods.
- 5.3. Every hospital and clinic order shall be placed separately and packed individually in sealed and secured containers that shall be clearly marked with the institution's name and address. Each consignment packed shall be accompanied by a separate invoice and shall be clearly identified on the CONTRACTOR's trip sheet as being an order distinct for the institution where the delivery is to be made.
- 5.4. The CONTRACTOR shall distribute to any institution including clinics and any additional institutions should the need arise at a later stage above, after receiving an official order, which shall contain at least but not limited to the following information: the outlet name, the outlet order number, the date, the items and quantities ordered and the signature of the ordering person. Orders shall be authorized in writing by the PRINCIPAL before any action by the CONTRACTOR is taken.
- 5.5. The CONTRACTOR shall be responsible for the loading of stock at the warehouse and off-loading at the PRINCIPAL's delivery points. The PRINCIPAL shall only pay for stock delivered and signed for as received by the PRINCIPAL.
- 5.6. The CONTRACTOR shall be responsible for any loss of stock due to theft or damage during transit for the full value of the stock.
- 5.7. Unless agreed otherwise, deliveries shall be made in line with the delivery schedule as agreed by both parties. The CONTRACTOR to provide the PRINCIPAL with the delivery schedule on quarterly basis. If there are any discrepancies the PRINCIPAL to be informed within 24 hours of such occurrences. The deviations shall be communicated with institutions via the Call Centre. The CONTRACTOR shall be required to submit a proposed schedule of delivery of stock to each institution or group of institutions to the PRINCIPAL one month in advance.
- 5.8. Delivery schedules will be at set time schedules agreed to with the PRINCIPAL but not more than:
 - 7 days for hospitals
 - 14 days for primary health care clinics
 - Same day for emergency orders
- 5.9. Unless in the case of emergency requests, deliveries to institutions shall be made between 08H00 and 15H00 Monday to Friday excluding public holidays. No emergency order(s) shall be executed without the prior written consent of the PRINCIPAL.
- 5.10. During delivery to institutions, the cold chain shall be maintained and recorded on arrival by the receiver. The CONTRACTOR shall be responsible for maintaining all

equipment required for cold chain. Should it be discovered by the ordering hospital that stock is damaged due to the cold chain breakage, the CONTRACTOR shall return with the stock to the depot, notify the PRINCIPAL, replace the damaged stock and re-imburse the PRINCIPAL with the amount equal to the value of the damaged stock calculated at a tender price ruling at the time, which amount shall be paid within thirty (30) days after such a replacement. Cold chain items shall be packed separately from all other items for each institution during transit.

5.11. Accordingly, the parties agree that a fast and efficient goods return policy shall be arranged between the CONTRACTOR and the PRINCIPAL. Stock returned to the depot by institutions must be credited within seven (7) working days after receipt thereof, unless proof can be supplied that the returning institution has not supplied proper documentation or there is a deadlock between the CONTRACTOR and the receiving institution. In case of a deadlock is referred to the PRINCIPAL's intervention.

5.12. The CONTRACTOR in cooperation with the PRINCIPAL shall develop and implement a Direct Delivery System in order to limit the volume and value of stock in the depot. The items to be processed through this system the PRINCIPAL shall provide a list. The PRINCIPAL agrees to pay a management fee at 50% of the normal handling fee on these items.

5.13. The PRINCIPAL with the cooperation of the CONTRACTOR shall ensure that a fast and efficient system of obtaining proof of delivery of Direct Deliveries is established.

6. Prepacking Unit

6.1. The PRINCIPAL shall license and register the prepacking unit with the appropriate authorities (SAHPRA and SAPC). The CONTRACTOR is required to assist the PRINCIPAL in ensuring the prepacking receives SAHPRA license and SAPC registration. All costs incurred for SAHPRA licensing and SAPC registration are for the PRINCIPAL's account.

6.2. The CONTRACTOR shall work according to the Standard Operating Procedures that comply with the SAHPRA requirements in relation to Good Manufacturing Practice (GMP), packaging material, labelling, storage, shelf life, etc., the Pharmacy Act and Regulations, Occupational Health and Safety Act and Regulations pertaining to the manufacturing of medicines. The CONTRACTOR is to ensure compliance at all times in partnership with the PRINCIPAL.

6.3. The CONTRACTOR shall ensure that physical security measures are in place for the building to protect unauthorized access to the premises

6.4. All relevant documentation as required by the legislation shall be safely kept and be easily accessible by the PRINCIPAL.

6.5. The PRINCIPAL shall provide the facility and equipment needed for the proper functioning of the unit.

- 6.6. The CONTRACTOR shall be responsible for the purchase of all consumables to be used in the prepacking unit.
- 6.7. The CONTRACTOR shall inform the PRINCIPAL in writing of any changes that need to be made to the facility and such changes shall only be made after the PRINCIPAL has granted written approval. The cost of such changes must be claimed separately which claim shall be submitted at the same time as the handling fee invoice.
- 6.8. Any additional equipment required by the CONTRACTOR shall be purchased only after approval has been granted by the PRINCIPAL in writing. The cost of such changes must be claimed separately which claim shall be submitted at the same time as the handling fee invoice.
- 6.9. The CONTRACTOR shall maintain all equipment and shall only replace unusable equipment after notifying the PRINCIPAL who then shall issue a written approval.
- 6.10. The CONTRACTOR shall ensure that on termination of the contract, all the equipment supplied or purchased on behalf of the PRINCIPAL, will be returned in good condition and in good working order except for normal wear and tear. The PRINCIPAL shall keep inventory of all such equipment.
- 6.11. The CONTRACTOR shall order all bulk medicines for prepacking, directly from suppliers in accordance with Transversal, National and Provincial contracts requirements and government tenders. Should bulk not be available on tenders, the CONTRACTOR shall source the product on quotation basis.
- 6.12. The PRINCIPAL shall notify the CONTRACTOR which medicines are to be packed into patient ready packs or ward stocks, which notification the CONTRACTOR is obliged to comply with. The PRINCIPAL shall inform the CONTRACTOR from time to time in writing if there are additional items which need to be repacked.
- 6.13. It shall be the responsibility of both parties to agree on mechanisms to adjust the quantities to be in line with demand from institutions, which adjustments shall include the reduction of the maximum capacity or the increase in the maximum capacity when necessary.
- 6.14. The CONTRACTOR shall ensure that monthly production at the unit shall not be less than 95% of the maximum capacity unless that is caused by factors that are beyond the CONTRACTOR's control which factors shall be conveyed to the PRINCIPAL seven (7) days after having been identified by the CONTRACTOR.
- 6.15. The CONTRACTOR shall ensure that the production schedules and requirements shall be worked out in consultation with the PRINCIPAL.

7. Human Resource

- 7.1. The PRINCIPAL shall develop and provide a core staff establishment for the depot to monitor the activities of the CONTRACTOR. The PRINCIPAL may require the CONTRACTOR to develop and train such core staff.
- 7.2. The CONTRACTOR shall present to the PRINCIPAL the Human Resources Development Plan four (4) weeks after the commencement of the contract. This shall include training programme and the skills transfer plan of the PRINCIPAL's core staff and the CONTRACTOR's employees
- 7.3. The PRINCIPAL's core staff shall remain civil servants but the training in the specific skills concerned shall be the responsibility of the CONTRACTOR and the PRINCIPAL shall have the right to evaluate and assess progress on training.
- 7.4. The CONTRACTOR shall attend to the training of public health facility staff on a continuous basis in the acquisition, warehousing and distribution skills as requested by the PRINCIPAL, which training shall be jointly planned by both parties.
- 7.5. The CONTRACTOR shall submit minutes on a monthly basis of a management / workers forum and shall keep records of training activities and attendances record on such training activities.
- 7.6. The CONTRACTOR may appoint additional staff or special functions staff as is deemed necessary, at its own cost.
- 7.7. The CONTRACTOR shall appoint appropriate professional staff who must comply with the authorities, duties and responsibilities prescribed in terms of the Pharmacy Act No. 53 of 1974. Support personnel employed by the CONTRACTOR who perform functions which fall within the scope of practice of pharmacist's assistants must receive the prescribed in-service training and be registered with SAPC.
- 7.8. The CONTRACTOR shall involve the PRINCIPAL in disciplinary cases in which the assets of the PRINCIPAL were involved.
- 7.9. On termination of the contract the PRINCIPAL has no obligation towards any staff employed by the CONTRACTOR should the CONTRACTOR not be awarded the tender again. This shall be responsibility of the CONTRACTOR.
- 7.10. The CONTRACTOR shall be responsible for training, continuous update training of staff members involved with stock management at all levels of health care delivery as determined by the PRINCIPAL.
- 7.11. The CONTRACTOR shall not hire any staff working for the PRINCIPAL during the duration of this agreement. Newly recruited personnel must be screened as per the Labour Act and must receive orientation regarding the organization and specific training appropriate to the duties assigned to them.

7.12. The CONTRACTOR shall be required to develop and implement an induction, orientation and training programme to staff employed by the PRINCIPAL throughout the duration of the contract to transfer skills at all levels.

7.13. The PRINCIPAL reserves the right to evaluate progress made in training and reserves the right to render generic public service training when required.

8. Information management

8.1. All data, information and records shall be the property of the PRINCIPAL and the CONTRACTOR undertakes to keep all the information generated by the system with regard to the PRINCIPAL's business confidential.

8.2. The CONTRACTOR shall be responsible for the maintenance and upkeep of the hardware and software for the duration of the contract except where damage to equipment occurred as a result of negligence by the PRINCIPAL, which shall be proven. In the latter case, the CONTRACTOR shall claim the cost of such repairs from the PRINCIPAL which claims shall be accompanied by the relevant documentary proof. The PRINCIPAL undertakes to supply the CONTRACTOR with a functional system, software, hardware network, all manuals and licenses.

8.3. The CONTRACTOR also undertakes to provide adequate backup information systems.

8.4. The CONTRACTOR shall provide the PRINCIPAL with a copy of all transaction processed by the system in an electronic format monthly

8.5. Any changes to the hardware and software shall only be effected after the PRINCIPAL has granted approval in writing.

8.6. The CONTRACTOR shall maintain all management information procedures on the use of software in writing in a management and computer information procedure manual, which shall be used by the CONTRACTOR for the training of both the employees of the PRINCIPAL and the CONTRACTOR, which procedure manual shall at all times be available for inspections by the PRINCIPAL and shall be handed to the PRINCIPAL on termination of the contract.

8.7. At least the following reports should be generated, should the present system allow

8.8. Procurement information by volume and value per product, per supplier and per Transversal, National and Provincial Contracts Monthly and when required as well as progressive totals

8.8.1. Off-take by clients by volume and value per Transversal, National and Provincial contract, per institution, per sub-district, per district and consolidated for the Province monthly and when required

8.8.2. Institutions off-take per institution, per sub-district, per district and consolidated for the province monthly and when required as well progressive totals.

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- 8.8.3. Off-take by volume and value per product, per tender grouping when required for estimates based on the Transversal, National and Provincial contract.
- 8.8.4. Off-take by volume and value per therapeutic class per institution, per sub-district, per district and consolidated for the province monthly and when required as well as progressive totals
- 8.8.5. An analysis by volume and value of opening stock, receipts into warehouse and closing stock per store item, per tender grouping, per stores category monthly and when required at any given date with complete supportive documentation
- 8.8.6. Out of stock incidences and average duration thereof
- 8.8.7. A report showing items with less than fourteen (14) days of stock on hand shall be supplied to the PRINCIPAL every second Friday.
- 8.8.8. Monthly audit tails shall be per outlet.
- 8.8.9. Service level per client per National Stock Number (NSN) and International Code Number (ICN).
- 8.9. Monthly reports shall be supplied per district and consolidated for the province showing off-take per clinic, per hospital, per district and per province compared to budget. Report also shall list the top twenty pharmaceuticals and top twenty surgical sundries. The top five users of the top five items per category shall also be listed.
- 8.10. Quarterly report shall be available to clinics, hospitals, districts and provincial management within twenty one (21) days of end of quarter.
- 8.11. Annual report shall be available to clinics, hospitals, districts and provincial management within thirty (30) days of end of financial year-end.
- 8.12. Formulary v/s non-formulary items purchased over time by volume and value
- 8.13. Supplier evaluation summary (e.g. actual lead times, part shipment and breakages, and average shelf life on date of supply, price increase applications, etc.),
- 8.14. Average inventory value per time period
- 8.15. Inventory turnover projected to annual value
- 8.16. Accounts Reconciliation and Age analysis of accounts receivable

9. Quality Assurance

9.1. The CONTRACTOR shall be responsible for ensuring good quality service in all areas and implement a quality monitoring role within the personnel structure that shall evaluate processes and procedures independently and prepare reports accordingly. The CONTRACTOR shall be responsible to the implementation of Quality systems, which shall include:

9.1.1. Management of documents and SOP's. The CONTRACTOR shall streamline the processes and Standard Operating Procedures' (SOPs) in accordance with the departmental legislative framework.

9.1.2. Document control

9.1.3. Complaints management. The CONTRACTOR shall report and record all quality complaints from outlets and keep records for the PRINCIPAL. The CONTRACTOR and the PRINCIPAL shall in consultation come up with a system to report and action quality complaints.

9.1.4. Product and /or batch recall management. The CONTRACTOR shall assist the PRINCIPAL with any regulatory matters involving product or batch recalls

9.1.5. Management review and monitoring

9.1.6. Risk management

9.1.7. Change control

9.1.8. Process for management of deviations and nonconformances

10. Finance.

10.1. The PRINCIPAL shall establish a creditor's account with the CONTRACTOR. The CONTRACTOR shall effect creditors payments on behalf of the PRINCIPAL.

10.2. Consolidated monthly remittance advice per supplier per item classification for all goods received on the warehouse management system shall be compiled. These remittances shall be accompanied and fully supported by proper verifying documentation and proof of delivery. All prime documentation, including signed orders, goods received vouchers (GRV's), debit and credit notes, invoices, proof of delivery (POD's), etc. must be filed in an easily retrievable manner and remain at the depot for auditing by the PRINCIPAL. No documentation shall be removed from the depot unless authority has been obtained from the PRINCIPAL.

10.3. THE CONTRACTOR will be required to execute payments to suppliers within 24 hours after payment has been effected by the PRINCIPAL. Proof of Payments shall be attached to the monthly remittance advises.

10.4. The CONTRACTOR shall generate a monthly invoice to the PRINCIPAL evidencing the amount owed in respect of the CONTRACTOR's management/handling fee based on the total value of stock issued to facilities. The fee shall be agreed upon by both parties.

11. Facility management

- 11.1. The CONTRACTOR shall be responsible for the development, implementation and monitoring of the following policies:
- 11.1.1. Access control Policy
 - 11.1.2. Key Policy
 - 11.1.3. Security Policy
 - 11.1.4. Hygiene Policy
 - 11.1.5. Pest control
 - 11.1.6. Personal hygiene Policy
 - 11.1.7. Environmental control Policy
 - 11.1.8. Fire protection Policy which shall include but not limited to prevention, detection and control of fire.
- 11.2. The CONTRACTOR shall take a comprehensive insurance cover for the warehouse, stock and all associated equipment. The CONTRACTOR shall provide the PRINCIPAL with proof of such insurance four (4) weeks after the commencement of this agreement and shall be examined by the PRINCIPAL periodically thereafter when necessary to determine whether it is being maintained.
- 11.3. Should it be found during the examination contemplated above that the insurance is not up to date, the CONTRACTOR shall explain in writing why that is so. Furthermore should there be any loss or damage to the PRINCIPAL's assets during this period, the CONTRACTOR shall be obliged to replace all the assets so affected at their carrying amounts at the time or the satisfaction of the PRINCIPAL
- 11.4. In determining the amount of insurance that the CONTRACTOR must provide the following shall be included in the calculation:
- 11.4.1. The carrying amount of stock on hand
 - 11.4.2. The carrying amount of the fittings, furniture and equipment. The carrying amounts so calculated shall be with effect from the date of signing this agreement by both parties

12. Stock availability monitoring

- 12.1. The CONTRACTOR in consultation with the PRINCIPAL shall develop and implement a list of emergency and vital medicines which must be available at the depot at all times. Maximum and minimum stock levels will also be determined by the PRINCIPAL
- 12.2. The CONTRACTOR shall ensure that 95% of these items are available at all times and a separate report for:
- 12.2.1. Antiretroviral medicines; and Tuberculosis medicines and Expanded Programme for Immunization Vaccines,

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12.2.2. Chronic disease medicines,

12.2.3. Essential surgical and

12.2.4. Essential medicines

must be submitted to the PRINCIPAL on a weekly basis.

12.3 The CONTRACTOR shall ensure that orders placed on suppliers do not exceed the estimated quantities given by the PRINCIPAL and further provided that stock is available in the country

12.4 The CONTRACTOR must monitor supplier performance and a report submitted to the PRINCIPAL on a monthly basis.

12.3. The above report should be presented to the PRINCIPAL in a meeting to be agreed upon between the PRINCIPAL and the CONTRACTOR.

13. The CONTRACTOR shall ensure that the stock entrusted to his/her care in terms of this specification shall not be sold, lend or disposed off in any other way by him/her without prior authorization by the PRINCIPAL, such undertaking shall be in writing and thus forms part of this agreement.

14. The actions of the CONTRACTOR with regard to the contract shall at all times comply with the principles of transparency and disclosure as prescribed by the Prevention and Combating of Corrupt Activities Act (Act 12 of 2004)

15. The actions of the CONTRACTOR shall all the times comply with SAHPRA and South African Pharmacy Council Regulations and Guidelines

16. The CONTRACTOR shall be responsible for safe keeping of all depot records in an easy to retrieve sequence/manner.

17. All records are the property of the PRINCIPAL

18. The CONTRACTOR is to submit his/her proposal on the application of the Principles of Good Governance, as identified in the King IV Report:

TERM OF CONTRACT

19. The contract will be for the period of three (03) years

20. The PRINCIPAL and the CONTRACTOR will enter into a service level agreement that will form part of this tender and shall be binding to both parties.

EVALUATION METHODOLGY

The Bid Evaluation Committee will evaluate the bid as follows:

- I. Administrative requirements – Phase 1
- II. Functionality and – Phase 2
- III. Evaluation in terms of the Preferential procurement policy (90/10 system) – Phase 3

NB: Bidders must submit proof of subcontracting arrangement between themselves and the subcontractor. Proof of subcontracting arrangement may include a subcontracting agreement between main bidder and the subcontractor.

SECTION B : EVALUATION METHODOLOGY

1. GENERAL

The evaluation shall be conducted by the Bid Evaluation Committee as follows:

- IV. Administrative requirements – Phase 1
- V. Compliance to the technical specification – Phase 2 and
- VI. Evaluation in terms 90/10 preferential point system – Phase 3

2. EVALUATION PHASES

2.1. PHASE 1 – ADMINISTRATIVE REQUIREMENTS

NO	COMPULSORY RETURNABLE DOCUMENTS	ATTACHED YES / NO
1.	SBD 1 - Invitation to bid.	
2.	SBD 4 – Bidders Disclosure.	
3.	SBD 6.1 - Preference points claim form in terms of the Preferential Procurement Regulations 2022. Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.	
4.	A Letter of Good Standing, issued by the Compensation Fund in terms of the Compensation for Occupational Injuries and Diseases Act (COIDA), 1993 must be attached. The certificate must be valid by closing date of the bid. The letter of intention to issue a letter of good standing by the Compensation Commissioner is not acceptable and if attached will lead to automatic disqualification.	
5.	Letter of approval by Executing Authority to do business if the entity has member / members who is / are a Government employee.	
6.	If the bidder is a joint venture / consortium / partnership, a certified copy of such an agreement and a resolution by each party to such joint venture / consortium / partnership authorizing its participation in the bid.	
7.	Proof of subcontracting arrangement (Proof of subcontracting arrangement may include a subcontracting agreement between main bidder and subcontractor)	
8.	Familiarize yourself and Initial every page of the General and Special Condition of Contract.	

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N.B: BIDDERS WHO FAIL TO ATTACH ONE OF THE COMPULSORY RETURNABLE DOCUMENTS ABOVE WILL BE DISQUALIFIED

SUBMISSION OF THE BID DOCUMENT MUST BE BINDED AND IS WITHOUT TEARING ANY PAGES OFF.

SUPPORTING DOCUMENTS

NO	SUPPORTING RETURNABLE DOCUMENTS	ATTACHED YES/ NO
1.	Detailed Central Supplier Database (CSD) report (not older than 7days from the date of submitting the bid document)	
2.	The medical certificate from the registered medical officer (for person living with disability), where disability points are claimed	
3.	Copies of the contracts / appointment letters for the required service must be attached to substantiate the relevant experience.	
4.	Letter of good standing with ratings from a registered financial institution	
5.	Curriculum Vitae's; qualifications and valid registration with the professional council/s of the Management, Technical and Professionals employed staff.	
6.	Schedule of a Pharmaceutical Depot activities	
7.	List of Plant and Equipment detailed (specified in the functionality section)	
8.	Payroll report for the past three months (as from the closing month of the bid)	

NB: FAILURE OF THE BIDDER TO ATTACH ANY OF THE ABOVE SUPPORTING DOCUMENTS WILL RESULTS IN DISQUALIFICATION OF YOUR BID.

PHASE 3 – EVALUATION IN TERMS OF THE 90/10 PREFERENCE POINT SYSTEMS

Only the qualifying bidders shall be evaluated further in terms of the 90/10 preference points system where **90 points will be used for price only and 10 points** specific goals. The lowest acceptable bid/proposal shall obtain the maximum percentage allocated for price. The other bid/proposals with higher prices shall proportionately obtain lower percentages.

The final points to choose the preferred bidder shall be calculated as follows:

$$P_s = 90 \left[1 - \frac{P_t - P_{\min}}{P_{\min}} \right]$$

Where:

P_s = Points scored for comparative price of tender or offer under consideration

P_t = Comparative price of tender or offer under consideration and

P_{\min} = Comparative price of lowest acceptable tender or offer

NOTE: The preference claim forms are part of the standard bidding document

Point allocation for price and equity ownership:

	POINTS
PRICE	90
SPECIFIC GOALS	10
Total points for Price and SPECIFIC GOALS	100

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The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)
Locality (Mpumalanga)	03	
Woman	03	
Youth	03	
Persons living with disability	01	

A maximum of (10) points shall be awarded to a bidder/s in respect of the RDP goals:

In terms of Regulation 4(2) of the Preferential Procurement Regulations of 2022, preference points must be awarded for specific goals stated in the tender. The points scored for the specific goals must be added to the points scored for price and the total must be rounded off to the nearest two decimal places. Subject to regulation 4(4), the contract must be awarded to the tenderer who scores the highest total number of points.

Subject to sub-regulation 4(3) points must be awarded to a tenderer for attaining their RDP goals achieved in accordance with the table below:

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FUNCTIONALITY

Tenderers are required to demonstrate their ability to undertake the work and provide proof of relevant experience, personnel, equipment and financial ability to undertake work of this nature.

Tenderers are required to score a minimum of **70** points out of a possible 100 points (i.e. **70%** in order to proceed to the second stage). Tender offers that fail to score the minimum number of points for the functionality will be disqualified. The onus rests with the tenderer to supply sufficient information to allow for proper scoring, evaluation and award of points

Functionality points shall be awarded in accordance with the following provisions:

TECHNICAL ABILITY	SCORE
<p>COMPANY EXPERIENCE</p> <p>Points will be awarded for past and current experience in the management of procurement, warehousing, and distribution of pharmaceuticals and surgical sundries and management of information contracts</p> <p>The tenderer shall indicate and declare their past and current track record in relation to the management of procurement, warehousing, and distribution of pharmaceuticals and surgical sundries and management of information contracts and attach supporting documents to substantiate his/her claims (Copies of appointment letters and contracts/service level agreements)</p> <ul style="list-style-type: none"> • 1 - 3 years' experience in the management of procurement, warehousing, and distribution of pharmaceuticals and surgical sundries and management of information contracts – 10 points • Above 4 – 6 years' experience in the management of procurement, warehousing, and distribution of pharmaceuticals and surgical sundries and management of information contracts – 20 points • Above 6 years' experience in the management of procurement, warehousing, and distribution of pharmaceuticals and surgical sundries and management of information contracts – 30 points <p>NB: The Department reserves the right to verify the information provided above.</p>	30
<p>OPERATIONAL & OTHER PERSONNEL</p> <p>Points will be awarded for technical expertise and competency applicable to the key personnel to the management of procurement; warehousing; distribution of pharmaceuticals & surgical sundries and management of information staff members within the categories listed below:</p> <p>50% of various individuals in different categories except the Executive Management which is 100% must be in the permanent employment of the bidder to be awarded points and curriculum vitae's (CV's); valid proof of registration with the professional council and valid proof of qualification (where applicable) must be attached to substantiate points.</p> <ul style="list-style-type: none"> • Executive Management Personnel Requirements: 4 points <ul style="list-style-type: none"> ○ General manager x 1 	20

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<ul style="list-style-type: none"> ○ Compliance /Regulatory Pharmacist x 1 ○ Operations Manager x 1 • Procurement Personnel Requirements: 4 points <ul style="list-style-type: none"> ○ Pharmacist x 3 ○ Post Basic Pharmacist Assistants: x 4 ○ Support Staff x12 • Receiving Personnel Requirements: <ul style="list-style-type: none"> ○ Pharmacist x1 ○ Post Basic Pharmacist Assistants: x 3 ○ Support Staff x10 • Client Liaison Personnel Requirements: <ul style="list-style-type: none"> ○ Pharmacist x 1 ○ Post Basic Pharmacist Assistants x 3 ○ Support Staff x 14 • Warehouse Personnel Requirements: 4 points <ul style="list-style-type: none"> ○ Pharmacist x1 ○ Post Basic Pharmacist Assistants x 5 ○ Support Staff x 120 • Distribution Personnel Requirements: 4 points <ul style="list-style-type: none"> ○ Fleet Manager x1 ○ Supervisor x1 ○ Support Staff x30 • Dispatch: 2 points <ul style="list-style-type: none"> ○ Supervisor x1 ○ Support Staff x10 • Pre-Packing Personnel Requirements: <ul style="list-style-type: none"> ○ Pharmacist x1 ○ Post Basic Pharmacist Assistants x1 ○ Support Staff x16 • IT Personnel Requirements: <ul style="list-style-type: none"> ○ IT Manager x 1 ○ IT Technician x 2 • HR Personnel Requirements: <ul style="list-style-type: none"> ○ HR Manager x 1 ○ Assistant x 1 • Training Personnel Requirements: <ul style="list-style-type: none"> ○ HRD Manager x 1 ○ Facilitator x 2 • Finance Personnel Requirements: <ul style="list-style-type: none"> ○ Finance Manager X 1 ○ Support Staff x 6 • Quality Assurance Personnel Requirements: 4 points <ul style="list-style-type: none"> ○ Pharmacist x 1 ○ Professional Nurse x 1 (Speciality ICU or Theatre) ○ Post Basic Pharmacists Assistants x 6 	
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<p>Total Staff Compliment 263</p> <p>Points will be awarded according to allocated point as per the criteria</p> <ul style="list-style-type: none"> • Staff compliments meeting all the above operational requirements – 20 points maximum • Staff compliments not meeting the above – 10 points • The required number is a minimum not maximum • The submitted certificate will be subjected to verification by the Department 	
<p>FINANCIAL CAPACITY</p> <p>Letter of good standing with ratings from a registered financial institution</p> <ul style="list-style-type: none"> • A = 20 • B = 16 • C = 14 • D = 12 • E = 10 	<p>20</p>
<p>Equipment</p> <p>Points for equipment will be awarded for equipment owned or hired by tenderer within the categories listed below and which must be available for the execution and completion of the work.</p> <p>Vehicles used to deliver pharmaceuticals must be temperature controlled and be suitable for transportation of temperature sensitive pharmaceuticals and temperature must be monitored continuously with calibrated WHO approved continuous temperature monitoring device during transit. Vehicles must be qualified, transport routes must be validated, and monitoring equipment must be calibrated according to a predefined procedure. Vehicles must be fitted with a continuous tracking device, and the bidder must monitor the vehicles in transit when delivering pharmaceuticals. Vehicle must be kept clean at all times. Cleaning of the vehicles must be conducted according to a schedule and documented accordingly.</p> <p>The tenderer must submit a birth conversion certificate for all the temperature controlled vehicles and copy of valid registration license for each vehicle</p> <p>Where the tenderer owns:</p> <ul style="list-style-type: none"> • 10 x 8 Ton Vehicles – 10 points maximum • 10 x 4 Ton Vehicles – 10 points maximum • 4 x 1 Ton Vehicles – 4 points maximum • 6 x 3 Meter Height Warehouse Stackers – 6 points maximum <p>Where the tenderer elects to hire/lease, points will be awarded within the applicable category as listed below:</p> <p>:</p> <ul style="list-style-type: none"> • 10 x 8 Ton Vehicles – 5 points maximum 	<p>30</p>

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<ul style="list-style-type: none"> • 10x 4 Ton Vehicles – 5 points maximum • 4 x 1 Ton Vehicles – 2 points maximum • 6 x 3 Meter Height Warehouse Stackers – 3 points maximum <p>Further, the allocation of points for Equipment to be hired will only be awarded should the tenderer submit an original “Letter of Intent”, as an attachment to the tender document, from a Hire Company who is registered within the Contractors Plant Hire Association (CPHA). The “Letter of Intent” shall clearly state that the Plant intended for the project will be available for the full duration of the project. The “Letter of Intent” must be certified by a registered Commissioner of Oaths.</p>	
TOTAL	100

EVALUATION IN TERMS OF THE PREFERENTIAL PROCUREMENT POLICY (90/10 SYSTEM)

Only the qualifying bidders shall be evaluated further in terms of the 90/10 preference points system where **90 points will be used for price only and 10 points** specific goals. The lowest acceptable bid/proposal shall obtain the maximum percentage allocated for price. The other bid/proposals with higher prices shall proportionately obtain lower percentages.

The final points to choose the preferred bidder shall be calculated as follows:

$$Ps = 90 \left[1 - \frac{Pt - P_{min}}{P_{min}} \right]$$

Where:

Ps= Points scored for comparative price of tender or offer under consideration

Pt. = Comparative price of tender or offer under consideration and

P min= Comparative price of lowest acceptable tender or offer

NOTE: The preference claim forms are part of the standard bidding document

b) VALIDITY PERIOD

The bid will be valid for **180 days** from the closing date.

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FACILITY MANAGEMENT POLICY DOCUMENTS TO BE INCLUDED

Item	SPECIFICATION	Complies YES / NO	Provide answers in this column. Please be straight to the point
12.1	Access control Policy		
12.2	Key Policy		
12.3	Security Policy		
12.4	Hygiene Policy		
12.5	Pest control		
12.6	Personal hygiene Policy		
12.7	Environmental control Policy		
12.8	Fire protection Policy which shall include but not limited to prevention, detection and control of fire.		

1. HUMAN RESOURCE MANAGEMENT POLICY DOCUMENTS TO BE INCLUDED

Item	SPECIFICATION	Complies YES / NO	Provide answers in this column. Please be straight to the point
20.1	Employment Equity Policy		
20.2	Formal Learning Support Policy		
20.3	Code of Conduct Policy		
20.4	Staffing and Employment Policy		
20.5	Health and Safety Policy		
20.6	Hygiene and Sanitation Policy		
20.7	Induction and Training Policy		
20.8	Uniform Policy		
20.9	Customer Communications Policy		
20.10	Disciplinary Code and Procedure		
20.11	Hazard Identification & Risk Assessment (HIRA) Policy		
20.12	Drug and Alcohol Policy		
20.13	Environmental Policy		
20.14	HIV /AIDS Policy		
20.15	Occupational Health Policy		

SPECIFICATION FOR THE OUTSOURCING THE MANAGEMENT OF PROCUREMENT, WAREHOUSING, AND DISTRIBUTION OF PHARMACEUTICALS AND SURGICAL SUNDRIES AND THE MANAGEMENT OF INFORMATION FOR THE DEPARTMENT OF HEALTH MPUMALANGA PROVINCE FOR A PERIOD OF THREE (3) YEAR

RISK ANALYSIS AND PROPOSED SOLUTIONS.

THE BIDDER IS TO SUBMIT HIS/HER PROPOSED SOLUTIONS FOR THE FOLLOWING AREAS OF RISK

Item	SPECIFICATION	Complies YES / NO	Provide answers in this column. Please be straight to the point
24.1	Strategy Design, Construction and Refurbishing Management		
24.2	Procurement Management Plan		
24.3	Receiving Management Plan		
24.4	Warehousing Management Plan		
24.5	Dispatch and Transport Plan		
24.6	Client Satisfaction Strategy		
24.7	Quality Assurance Plan		
24.8	Stock out Management Plan		
24.9	Financial Management		
24.10	HR Management		
24.11	IT Management		
24.12	Management of Chain of Command Activities		
24.13	Control over Staff Retention		
24.14	Control over Strikes and Labour Unrest		
24.15	Control over Security Activities		
24.16	HIRA- Procedure for Risk Analysis		
24.17	Fire Management Policy and Procedure		
24.19	Waste Management Procedure		
24.20	Overstock Management Plan		
24.21	Short dated Stock		
24.22	Backorders		
24.23	Supplier Performances		
24.24	Retrieval of Certificate of Completion and Invoices for Direct Deliveries (DDV)		

SPECIFICATION FOR THE OUTSOURCING THE MANAGEMENT OF PROCUREMENT, WAREHOUSING, AND DISTRIBUTION OF PHARMACEUTICALS AND SURGICAL SUNDRIES AND THE MANAGEMENT OF INFORMATION FOR THE DEPARTMENT OF HEALTH MPUMALANGA PROVINCE FOR A PERIOD OF THREE (3) YEAR

2. OPERATIONAL RISK MANAGEMENT. THE FOLLOWING POLICY DOCUMENTS ARE TO BE SUBMITTED

Item	SPECIFICATION	Complies YES / NO	Provide answers in this column. Please be straight to the point
25.2	Handling of Power Failures		
25.3	Control over Damages and Losses of Equipment		
25.5	Management of Occupational Health & Safety Activities		
25.6	Control over ICT System Failures		
25.7	Management of Chain of Command Activities		
25.8	Control over Staff Retention		
25.9	Control over Strikes and Labour Unrest		
25.10	Control over Security Activities		
25.11	HIRA- Procedure for Risk Analysis		
25.12	Fire Management Policy and Procedure		
25.13	Waste Management Procedure		

CAPABILITIES AND EXPERIENCE

Item	SPECIFICATION		Complies YES / NO	Provide answers in this column. Please be straight to the point
	Specify street address of all facilities used by the company for related businesses (E.g. warehouses, storage spaces, offices etc.)			
No	Business Name	Business Activities	Location	Years in Existence
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

SPECIFICATION FOR THE OUTSOURCING THE MANAGEMENT OF PROCUREMENT, WAREHOUSING, AND DISTRIBUTION OF PHARMACEUTICALS AND SURGICAL SUNDRIES AND THE MANAGEMENT OF INFORMATION FOR THE DEPARTMENT OF HEALTH MPUMALANGA PROVINCE FOR A PERIOD OF THREE (3) YEAR

BILLING FOR TENDERING PURPOSE

2.1. MANAGEMENT FEE FOR THE RESPECTIVE TERMS OF THE BID

DESCRIPTION	FIRST YEAR MANAGEMENT FEE	SECOND YEAR MANAGEMENT FEE	THIRD YEAR MANAGEMENT FEE
Estimated range of the bid values (Management of Procurement, Warehousing, and Distribution of pharmaceuticals and surgical sundries and the Management of Information)	% fee for management including procurement, warehousing, and management of information (VAT Inclusive)	% fee for management including procurement, warehousing, and management of information (VAT Inclusive)	% fee for management including procurement, warehousing, and management of information (VAT Inclusive)
Above R612 million			

NB: THE PRICE MUST BE FIXED FOR THE OUTER YEARS

BREAKDOWN OF MANAGEMENT FEE

(The total breakdown of management fee must be equal to management fee for the respective terms of the bid above)

	FIRST YEAR RAND VALUE	SECOND YEAR RAND VALUE	THIRD YEAR RAND VALUE
Procurement, Finance and Administration			
Receiving warehousing /			
Distribution			
Quality Assurance and Client Liaison			
Pre-Packing			



TAX CLEARANCE

TCC 001

Application for a Tax Clearance Certificate**Purpose**Select the applicable optionTenders ☐ Good standing ☐

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

Particulars of applicantName/Legal name
(Initials & Surname
or registered name)Trading name
(If applicable)ID/Passport no Company/Close Corp.
registered no

Income Tax ref no PAYE ref no 7

VAT registration no 4 SDL ref no L

Customs code UIF ref no U

Telephone no Fax
no

E-mail address

Physical address

Postal address

Particulars of representative (Public Officer/Trustee/Partner)

Surname

First names

ID/Passport no Income Tax ref no

Telephone no Fax
no

E-mail address

Physical address

Particulars of tender (If applicable)Tender number Estimated Tender amount R , Expected duration of the tender year(s)**Particulars of the 3 largest contracts previously awarded**

Date started	Date finalised	Principal	Contact person	Telephone number	Amount
--------------	----------------	-----------	----------------	------------------	--------

Audit

Are you currently aware of any Audit investigation against you/the company?..... YES NO

If "YES" provide details

Appointment of representative/agent (Power of Attorney)I the undersigned confirm that I require a Tax Clearance Certificate in respect of or .I hereby authorise and instruct to apply to and receive from SARS the applicable Tax Clearance Certificate on my/our behalf.

Signature of representative/agent

Date

Name of representative/agent **Declaration**

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

Signature of applicant/Public Officer

Date

Name of applicant/Public Officer **Notes:**

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

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

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest¹ 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

¹ the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

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

2.2.1 If so, furnish particulars:

.....
 ...

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

2.3.1 If so, furnish particulars:

.....

3 DECLARATION

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

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying 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.

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

SBD4

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

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....

.....

Signature

Date

.....

.....

...

Position

Name of bidder

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

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

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

1. GENERAL CONDITIONS

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

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

1.2 To be completed by the organ of state

(delete whichever is not applicable for this tender).

- a) The applicable preference point system for this tender is the 90/10 preference point system.
- b) The applicable preference point system for this tender is the 80/20 preference point system.
- c) Either the 90/10 or 80/20 preference point system will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

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

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

1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	90
SPECIFIC GOALS	10
Total points for Price and SPECIFIC GOALS	100

- 1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

$$\begin{array}{ccc} \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\ \\ \mathbf{P_s = 80 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)} & \mathbf{or} & \mathbf{P_s = 90 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)} \end{array}$$

Where

- P_s = Points scored for price of tender under consideration
- P_t = Price of tender under consideration
- P_{min} = Price of lowest acceptable tender

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

3.2.1. POINTS AWARDED FOR PRICE

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

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

Where

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

4. POINTS AWARDED FOR SPECIFIC GOALS

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

then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.

Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Women Owned	03	N/A		N/A
Persons living with a disability	03	N/A		N/A
Youth Owned	03	N/A		N/A
Black Owned	01	N/A		N/A

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium

One-person business/sole propriety

Close corporation

Public Company

Personal Liability Company

(Pty) Limited

Non-Profit Company

State Owned Company

[TICK APPLICABLE BOX]

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

i) The information furnished is true and correct;

- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution, if deemed necessary.

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

THE NATIONAL TREASURY

Republic of South Africa



GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT

July 2010

GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

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

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

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

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General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:
 - 1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
 - 1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 “Day” means calendar day.
 - 1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.
 - 1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.
 - 1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
 - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

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

obligations of the supplier covered under the contract.

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

2. Application

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

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

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

3. General

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

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

4. Standards

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

5. Use of contract documents and information; inspection.

5.1 The supplier shall not, without the purchaser’s prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

5.2 The supplier shall not, without the purchaser’s prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.

5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier’s performance under the contract if so required by the purchaser.

5.4 The supplier shall permit the purchaser to inspect the supplier’s records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights

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

7. Performance security

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

8. Inspections, tests and analyses

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract supplies may on or after delivery be inspected, tested or

analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

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

9. Packing

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

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental services

- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
 - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
 - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

- (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

14. Spare parts

14.1 As specified in SCC, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
- (b) in the event of termination of production of the spare parts:
 - (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
 - (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

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

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

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

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

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

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| 16. Payment | <p>16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.</p> <p>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.</p> <p>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.</p> <p>16.4 Payment will be made in Rand unless otherwise stipulated in SCC.</p> |
| 17. Prices | <p>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.</p> |
| 18. Contract amendments | <p>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.</p> |
| 19. Assignment | <p>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.</p> |
| 20. Subcontracts | <p>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.</p> |
| 21. Delays in the supplier's performance | <p>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.</p> <p>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.</p> <p>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.</p> <p>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</p> |

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

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

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

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

- 23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.
- 23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
- (i) the name and address of the supplier and / or person restricted by the purchaser;
 - (ii) the date of commencement of the restriction
 - (iii) the period of restriction; and
 - (iv) the reasons for the restriction.

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

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

24. Anti-dumping and countervailing duties and rights

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

may be due to him

25. Force Majeure

- 25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for insolvency

- 26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

27. Settlement of Disputes

- 27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 27.5 Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
 - (b) the purchaser shall pay the supplier any monies due the supplier.

28. Limitation of liability

- 28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;
- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

		(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
29. Governing language	29.1	The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
30. Applicable law	30.1	The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
31. Notices	31.1	Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
	31.2	The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
32. Taxes and duties	32.1	A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
	32.2	A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
	32.3	No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
33. National Industrial Participation Programme (NIP)	33.1	The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.
34 Prohibition of Restrictive practices	34.1	In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).
	34.2	If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

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