



**YOU ARE HEREBY INVITED TO SUBMIT YOUR PROPOSAL TO PROPERTY PRACTITIONERS' REGULATORY AUTHORITY FOR THE SERVICES ON THE ATTACHED BID DOCUMENT.**

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**BID NUMBER:** PPRA 01/2025      **CLOSING DATE:** 15 May 2025      **CLOSING TIME:** 12:00 PM

**DESCRIPTION:** APPOINTMENT OF A PORTFOLIO MANAGEMENT COMPANY OR FINANCIAL INSTITUTION TO MANAGE INVESTMENT PORTFOLIOS FOR THE PROPERTY PRACTITIONERS' FIDELITY FUND (PPFF) WHICH IS OWNED AND MANAGED BY THE PROPERTY PRACTITIONERS' REGULATORY AUTHORITY (PPRA) FOR A PERIOD OF FIVE (5) YEARS.

**COMPULSORY BRIEFING SESSION:** N/A

**NB: BIDS RECEIVED AFTER THE CLOSING DATE AND TIME WILL NOT BE ACCEPTED FOR CONSIDERATION**

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1. Attached please find:

1.1	Invitation to Bid (SBD 1	Page 2-4
1.2	Condition to Bid	Page 5-10
1.3	Term of References	Page 11-19
1.4	Declaration of Interest (SBD 4)	Page 20-23
1.5	Preferential Points Claim Form (SBD 6.1)	Page 24-32
1.6	General Conditions of Contract (GCC)	Page 33-44

2. The attached forms must be completed in detail and returned with your bid. Failure to comply may disqualify your proposal. Each bid document must be submitted in a separate sealed envelope stipulating the following information: Name and Address of the bidder, Bid number and closing date of bid.

3. Bid documents must be deposited into the bid box at:

**The Property Practitioner Regulatory Authority, Block B, 63 Wierda Road, East Sandton.**

4. Bids which are not inside tender/Bid box on the closing date and time will not be considered.

Yours Faithfully

**MR V. TSHIVULE**  
**MANAGER: SUPPLY CHAIN MANAGEMENT**  
**DATE: 23 Apr. 25**

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## **PART A**

## INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE PROPERTY PRACTITIONER REGULATORY AUTHORITY					
BID NUMBER	PPRA 01/2025	CLOSING DATE	15 May 2025	CLOSING TIME	12:00
DESCRIPTION	APPOINTMENT OF A PORTFOLIO MANAGEMENT COMPANY OR FINANCIAL INSTITUTION TO MANAGE INVESTMENT PORTFOLIOS FOR THE PROPERTY PRACTITIONERS' FIDELITY FUND (PPFF) WHICH IS OWNED AND MANAGED BY THE PROPERTY PRACTITIONERS' REGULATORY AUTHORITY (PPRA) FOR A PERIOD OF FIVE (5) YEARS.				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT: (STREET ADDRESS) <b>BLOCK B, 63 WIERDA ROAD EAST, SANDTON</b>					

<b>PROPERTY PRACTITIONER REGULATORY AUTHORITY</b>					
<b>BLOCK B</b>					
<b>63 WIERDA ROAD, EAST</b>					
<b>SANDTON</b>					
<b>SUPPLIER INFORMATION</b>					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
	TCS PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	<input type="checkbox"/> Yes <input type="checkbox"/> No	
IF YES, WHO WAS THE CERTIFICATE ISSUED BY?					
AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA) AND NAME THE APPLICABLE IN THE TICK BOX	<input type="checkbox"/>	AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)			
	<input type="checkbox"/>	A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS)			
	<input type="checkbox"/>	A REGISTERED AUDITOR			
	<input type="checkbox"/>	NAME:			
<b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT(FOR EMEs&amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b>					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ANSWER PART B:3 BELOW]
SIGNATURE OF BIDDER	.....		DATE		
CAPACITY UNDER WHICH THIS BID IS SIGNED (Attach proof of authority to sign this bid; e.g. resolution of directors, etc.)					
TOTAL NUMBER OF ITEMS OFFERED			TOTAL BID PRICE (ALL INCLUSIVE)		
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>			<b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>		
DEPARTMENT/ PUBLIC ENTITY			CONTACT PERSON		
CONTACT PERSON			TELEPHONE NUMBER		
TELEPHONE NUMBER			FACSIMILE NUMBER		
FACSIMILE NUMBER			E-MAIL ADDRESS		
E-MAIL ADDRESS					

## PART B

<b>1. BID SUBMISSION:</b>								
<p>1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.</p> <p>1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED—(NOT TO BE RE-TYPED) OR ONLINE</p> <p>1.3. BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.</p> <p>1.4. WHERE A BIDDER IS NOT REGISTERED ON THE CSD, MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS MAY NOT BE SUBMITTED WITH THE BID DOCUMENTATION. B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.</p> <p>1.5. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER LEGISLATION OR SPECIAL CONDITIONS OF CONTRACT.</p>								
<b>2. TAX COMPLIANCE REQUIREMENTS</b>								
<p>2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p> <p>2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.</p> <p>2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.</p> <p>2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.</p> <p>2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.</p> <p>2.6 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.</p>								
<b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>								
<table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?</td> <td style="width: 30%; text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.3. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.4. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> </table> <p>IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO OBTAIN A TAX COMPLIANCE STATUS / TAX COMPLIANCE SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.</p>	3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.3. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.4. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
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3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO							
3.3. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO							
3.4. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO							

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

## CONDITIONS OF BID

(NB: Only PPRA conditions provided in this document will be applicable, no bidders' conditions will be considered/accepted)

## **1. BACKGROUND AND INTRODUCTORY PROVISIONS**

- 1.1 Property Practitioners Regulatory Authority seeks to appoint a portfolio management company or financial institution to manage investment portfolios for the PPFF which is owned and managed by the PPRA for the period of three (3) years.

## **2. OFFER AND CONDITIONS OF BIDS**

- 2.1 Bidders must submit a completed and signed Invitation to Bid form (SBD1) and required bid forms attached with its bid/quotation. Bidders must take careful note of the conditions of bid.
- 2.2 All bids submitted in reply to this invitation to bid should incorporate all the forms, parts, certificates and other documentation forming part of this invitation to bid, duly completed and signed where required (failure to submit complete document will lead to disqualification).

## **3. CLOSING TIME OF BIDS AND PROVISIONS RELATING TO SUBMISSION OF BIDS**

- 3.1 The closing date and time for the receipt of bids in response to this invitation to bid is detailed on the cover page of this invitation to bid.
- 3.2 All bids must be submitted in a sealed envelope bearing the bid/quotation number, bid description and closing date.
- 3.3 All bids must be deposited in the bid box before the closing time and date stipulated above, at the address detailed on the cover page of this invitation to bid.
- 3.4 Bid box is accessible during working days from 07:30 to 16:30

## **4. BRIEFING SESSION**

- 4.1 No briefing session will be held for this bid.

## **5. ENQUIRIES**

- 5.1 Should any bidder have any enquiries relating to this invitation to bid, such enquiries may only be addressed to the person/s detailed as mentioned below.

Enquiry	Name	Contact Details
Bid related	Mr Vusani Tshivule	Email: <a href="mailto:vusani.tshivule@theppra.org.za">vusani.tshivule@theppra.org.za</a> Tel:
Technical	SCM	Email: <a href="mailto:SCM@theppra.org.za">SCM@theppra.org.za</a>

## **6. PRICING**

- 6.1 The bidder(s) must submit details regarding the bid price for the items on the specifications as attached.
- 6.2 Pricing must be stipulated inclusive of Value Added Tax (VAT) if VAT registered.
- 6.3 It is mandatory that bidders provide their total bid price on Invitation to bid form Q(SBD1) and on pricing schedule as these are the only forms provided by the Property Practitioners Regulatory Authority to bidders to provide their prices. NB: Only prices provided in these forms will be considered by the Property Practitioners Regulatory Authority, bidders may attach their price breakdown, but the total price should not be different from the price provided in SBD 1 and pricing schedule.

**NB: THE TOTAL BID PRICE REFERRED TO, IT'S THE TOTAL PRICE FOR ALL ITEMS THAT BIDDERS ARE REQUIRED TO QUOTE FOR.**

## **7. TAX COMPLIANT**

- 7.1 PPRA will verify bidders Tax Compliant Status on CSD and/or through E-filing using a PIN issued by SARS, if the bidder is found to be non-compliant during the time of award, the bidder will be afforded

(7) working days to rectify their TCS. Failure to provide written proof of tax status remediation, within seven (7) working days of notification, will result in the rejection of the bid submitted by the bidder.

**8. BIDDERS DISCLOSURE**

- 8.1 The bidder should submit a duly completed and signed Bidders Disclosure (SBD 4) together with the bid. The Bidders Disclosure form is attached with bid documentation.

**9. PREFERENTIAL POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS OF 2022.**

- 9.1 The bidder must complete the preferential points claim form (SBD 6.1) and sign accordingly to submit with the bid. The preferential points claim form is attached with bid documentation.

**10. VALIDITY**

- 10.1 Bid documentation submitted by the bidder will be valid and open for acceptance for a period of (120) calendar days from the closing date and time stipulated on the front cover of this invitation to bid.

**11. ACCEPTANCE OF BIDS**

- 11.1 Receipt of the invitation to bid does not confer any right on any party in respect of the Services or in respect of or against the PPRA. The PPRA reserves the right, in its sole discretion, to withdraw by notice to bidders any Services or combination of Services from the bid process, to terminate any party's participation in the bid process or to accept or reject any response to this invitation to bid on notice to the bidders without liability to any party. Accordingly, parties have no rights, expressed or implied, with respect to any of the Services as a result of their participation in the bid process.
- 11.2 The PPRA, nor any of their respective directors, officers, employees, agents, representatives or advisors will assume any obligations for any costs or expenses incurred by any party in or associated with any appraisal and/or investigation relating to this invitation to bid or the subsequent submission of a bid in response to this invitation to bid in respect of the Services or any other costs, expenses or liabilities of whatsoever nature and howsoever incurred by bidders in connection with or arising out of the bid process.

**12. FORMAL CONTRACT**

- 12.1 Successful bidder (s) will be required to enter a formal contract with the Property Practitioners Regulatory Authority.
- 12.2 The terms of reference together with the proposal made by the successful service provider (s), the acceptance thereof by the PPRA and the SLA concluded by and between the Entity and the successful service provider (s) shall constitute the formal agreement between the parties. No amendment to this agreement, variation, waiver, relaxation or suspension of any of the provisions thereof shall have any force or effect, unless reduced to writing and signed by both parties.
- 12.3 Awarding of the contract will be subject to the Service Provider's expressing acceptance of the General Conditions of Contract and Special Condition of Contract.
- 12.4 The Entity reserves the right to terminate the contract in the event that there is clear evidence of non-performance, by the Supplier (s).
- 12.5 This bid document is not an offer to purchase any services or materials, and the Property Practitioners Regulatory Authority will not incur or be liable for any costs associated with the preparation of this quotation.

**13. METHOD OF PAYMENT**

- a. The supplier shall furnish the Entity with an invoice upon fulfilment of the order obligation as stipulated in the contract.
- b. Payment shall be made promptly by the Entity, but in no case later than thirty (30) days after the submission of an invoice or claim by the supplier.
- c. Payment will be made in Rand unless otherwise stipulated in Special Conditions of Contract.

**14. NON-DISCLOSURE, CONFIDENTIALITY AND SECURITY**

- a. The invitation to bid and its contents are made available on condition that they are used in connection with the bid process set out in the invitation to bid and for no other purpose. All information pertaining to this invitation to bid and its contents shall be regarded as restricted and divulged on a “need to know” basis with the approval of the PPRA.
- b. In the event that the bidder is appointed pursuant to this invitation to bid such bidder may be subject to security clearance prior to commencement of the Services.

## **15. ACCURACY OF INFORMATION**

- 15.1 The information contained in the invitation to bid has been prepared in good faith. The PPRA nor any of their respective directors, advisors, officers, employees, agents, representatives make any representation or warranty or give any undertaking express or implied, or accept any responsibility or liability whatsoever, as to the contents, accuracy or completeness of the information contained in the invitation to bid, or any other written or oral information made available in connection with the bid and nothing contained herein is, or shall be relied upon as a promise or representation, whether as to the past or the future.
- 15.2 This invitation to bid may not contain all the information required to evaluate a possible submission of a response to this invitation to bid. The bidder should conduct its independent analysis of the operations to the extent required to enable it to respond to this bid.

## **16. COMPETITION**

- 16.1 Bidders and their respective officers, employees and agents are prohibited from any collusive action concerning the bidding process which limits competition amongst bidders.
- 16.2 In general, the attention of bidders is drawn to Section 4(1) (iii) of the Competition Act 1998 (Act No. 89 of 1998) (the Competition Act) that prohibits collusive bidding.
- 16.3 If bidders have reason to believe that competition issues may arise from any submission of a response to this bid invitation they are encouraged to discuss their position with the competition authorities before submitting a response.
- 16.4 Any correspondence or process between bidders and the competition authorities must be documented in the responses to this invitation to bid.

## **17. RESERVATION OF RIGHTS**

- 17.1 Without limitation to any other rights of the PPRA (whether otherwise reserved in this invitation to bid or under law), the PPRA expressly reserves the rights to disqualify any bidder which does not comply with any one or more of the required pieces of information as indicated below:
  - 17.1.1 If the bidder/s submit their bids without all the data and information requested.
  - 17.1.2 Bidders that did not submit mandatory documents stipulated in the bid document.
  - 17.1.3 Proposal that fails to comply with the specification.
  - 17.1.4 Proposal that contains any information that is found to be incorrect or misleading in anyway or Bidders who submit information
  - 17.1.5 Bidders who submit incomplete information and documentation according to the requirements of this bid document.
  - 17.1.6 Bidders who receive information not available to other potential bidders through fraudulent means.
- 17.2 PPRA further reserves the right to:
  - 17.2.1 Not to award or cancel this bid at any time.
  - 17.2.2 To negotiate with one or more Preferred or Reserved Bidders identified in the evaluation process, regarding any terms and conditions, including price without offering the same opportunity to any other Bidder who has not been awarded the status of the Preferred or Reserved Bidder.
  - 17.2.3 To award in part or in full.
  - 17.2.4 To award this bid to one or more bidders.
  - 17.2.5 To negotiate prices of items that are contracted and should these items be available at a competitive price than the contracted price, PPRA will request the current bidder to reduce their price to be inline failing which; these will be purchase out of contract.

- 17.2.6 To cancel and/or terminate the bid process at any stage, including after the Closing Date and/or after presentations have been made, and/or after bids have been evaluated and/or after the Preferred Bidders have been notified of their status as such.
- 17.2.7 To carry out explanatory meetings in order to verify the nature and quality of the services bided for, whether before or after adjudication of the bid at bidder's corporate offices and / or at PPRA sites if so required.
- 17.2.8 To award the contract to a Bidder whose bid was not the lowest in price.
- 17.2.9 To award the bid to a Bidder who is not the highest scoring Bidder.
- 17.2.10 To correct any mistakes at any stage of the bid that may have been in the bid documents or occurred at any stage of the bid process.
- 17.2.11 To amend any bid conditions, bid validity period, bid terms of references, or extend the bid closing date, all before the bid closing date. All bidders, to whom the bid documents have been issued and where the PPRA have record of such bidders, may be advised in writing of such amendments in good time and any such changes will also be posted on the PPRA's website under the relevant tender information. All prospective bidders should therefore ensure that they visit the website regularly and before they submit their bid response to ensure that they are kept updated on any amendments in this regard.
- 17.2.12 Not to accept the lowest priced bid or any bid in part or in whole. It normally awards the contract to the bidder who proves to be fully capable of handling the contract and whose bid is functionally acceptable and/or financially advantageous to the PPRA.
- 17.2.13 To request all relevant information, agreements, and other documents to verify information supplied in the bid response.
- 17.2.14 To conduct background checks, including FICA verification, on the bidding entity and any of its directors / trustees / shareholders / members.

## **18. PRE – QUALIFICATION/ ADMINISTRATIVE REQUIREMENTS**

- 18.1 Bid Document - All pages must be completed and signed (where signature is applicable) by the Bidder.
- 18.2 Invitation to bid must be Completed and signed (SBD 1).
- 18.3 Bidders' Disclosure must be fully completed and signed (SBD 4).
- 18.4 The bidder must ensure that their company is registered on CSD (attach the CSD report with the bid document or provide bidder CSD registration number).
- 18.5 Bidders must submit their SARS TCS PIN number and CSD Supplier number with their bid so that the bidder's Tax Compliance Status can be verified.

## **FAILURE TO COMPLY WITH THE ABOVE-MENTIONED PRE-QUALIFICATION INSTRUCTIONS WILL LEAD TO DISQUALIFICATION.**

## **19. COMPLETION OF BIDDING FORMS**

- 19.1 Under no circumstances whatsoever may the bid forms be retyped or redrafted. Photocopies of the original bid documentation may be used, but an original signature must appear on such photocopies.
- 19.2 The bidder is advised to check the number of pages and to satisfy himself that none are missing or duplicated. Bids submitted must be complete in all respects.
- 19.3 Bids shall be lodged at the address indicated not later than the closing time and date specified for their receipt, and in accordance with the directives in the bid documents.
- 19.4 Each bid shall be addressed in accordance with the directives in the bid documents and shall be lodged in a separate sealed envelope, with the name and address of the bidder, the bid number and closing date indicated on the envelope. The envelope shall not contain documents relating to any bid other than that shown on the envelope. If this provision is not complied with, such bids may be rejected as being invalid.
- 19.5 All bids received in sealed envelopes with the relevant bid numbers on the envelopes are kept unopened in safe custody until the closing time and date of the bids. Where, however, a bid is received open, it shall be sealed. If it is received without a bid number on the envelope, it shall be opened, to ascertain bid number.
- 19.6 A specific box is provided for the receipt of bids, and no bid found in any other box or elsewhere subsequent to the closing date and time of bid will be considered.

- 19.7 No bid sent through the post will be considered if it is received after the closing date and time stipulated in the bid document, and proof of posting will not be accepted as proof of delivery.
- 19.8 No bid submitted by telefax, telegraphic or other electronic means will be considered.
- 19.9 Any alteration made by the bidder must be initialled.
- 19.10 Use of correcting fluid is prohibited.
- 19.11 Bids will be opened in public as soon as practicable after the closing time of bid.
- 19.12 Where practical, prices are made public at the time of opening bid

## **20. UNDERTAKINGS BY THE BIDDER**

- 20.1 By submitting a bid in response to the bid invitation, the bidder will be taken to offer to render all or any of the services described in the bid response submitted by it to the PPRA on the terms and conditions and in accordance with the specifications stipulated in this bid document.
- 20.2 The bidder shall prepare for a possible presentation should PPRA require such and the bidder shall be notified within reasonable time before the actual presentation date. Such presentation may include a practical demonstration of services as called for in this bid.
- 20.3 The bidder agrees that the offer contained in its bid shall remain binding upon him/her and receptive for acceptance by the PPRA during the bid validity period indicated in the bid and calculated from the bid closing hour and date such offer and its acceptance shall be subject to the terms and conditions contained in this bid document read with the bid.
- 20.4 The bidder furthermore confirms that he/she has satisfied himself/herself as to the correctness and validity of his/her bid response; that the price(s) and rate(s) quoted cover all the work/item(s) specified in the bid response documents; and that the price(s) and rate(s) cover all his/her obligations under a resulting contract for the services contemplated in this bid; and that he/she accepts that any mistakes regarding price(s) and calculations will be at his/her risk.
- 20.5 The successful bidder accepts full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on him/her under the supply agreement and SLA to be concluded with PPRA, as the principal(s) liable for the due fulfilment of such contract.
- 20.6 The bidder accepts that all costs incurred in the preparation, presentation and demonstration of the solution offered by it shall be for the account of the bidder. All supporting documentation and manuals submitted with its bid will become PPRA property unless otherwise stated by the bidder/s at the time of submission.
- 20.7 No attempt may be made, whether directly or indirectly, to canvass any member of PPRA employees before the award of the contract.
- 20.8 Any enquiries must be referred, in writing, to the specified persons.

## **21. COUNTER CONDITIONS**

- 21.1 Bidder's attention is drawn to the fact that amendments to any of this condition of bid by bidders may result in the invalidation of the bids.

## **22. FRONTING**

- 22.1 The PPRA support the Broad Black Based Economic Empowerment and recognises that the real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent, and legally compliant manner. Based on the above (PPRA) condemns any form of fronting.
- 22.2 The PPRA, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct, or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in the bid documents. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the



Department of Trade and Industry, be established during such enquiry /investigation, the onus will be on the bidder / contractor to prove that fronting does not exist. Failure to do so within a period of 14 days from date of notification may invalidate the bid/contract and may also result in the restriction of the bidder /contractor to conduct business with the public sector for a period not exceeding ten years. The matter may be reported to the National Prosecuting Authority (NPA) for criminal investigation and charges in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

## **23. SCREENING**

- 23.1 Acceptance of this bid may be subject to the condition that the successful bidder must be cleared by the appropriate authorities to render the service within the PPRA.

## **24. CONFLICT OF INTEREST, CORRUPTION AND FRAUD**

- 24.1 PPRA reserves its right to disqualify any bidder who either itself or any of whose members (save for such members who hold a minority interest in the bidder through shares listed on any recognised stock exchange), indirect members (being any person or entity who indirectly holds at least a 15% interest in the bidder other than in the context of shares listed on a recognised stock exchange), directors or members of senior management, whether in respect of PPRA or any other government organ or entity and whether from the Republic of South Africa or otherwise ("Government Entity")
- 24.2 Engages in any collusive tendering, anti-competitive conduct, or any other similar conduct, including but not limited to any collusion with any other bidder in respect of the subject matter of this bid.
- 24.3 Seeks any assistance, other than assistance officially provided by PPRA, from any employee, advisor, or other representative of PPRA in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to PPRA.
- 24.4 Makes or offers any gift, gratuity, anything of value or other inducement, whether lawful or unlawful, to any of PPRA's officers, directors, employees, advisors, or other representatives.
- 24.5 Makes or offers any gift, gratuity, anything of any value or other inducement, to any PPRA's officers, directors, employees, advisors, or other representatives to obtain any unlawful advantage in relation to procurement or services provided or to be provided to PPRA.
- 24.6 Accepts anything of value or an inducement that would or may provide financial gain, advantage, or benefit in relation to procurement or services provided or to be provided to PPRA.
- 24.7 Pays or agrees to pay to any person any fee, commission, percentage, brokerage fee, gift, or any other consideration, that is contingent upon or results from, the award of any tender, contract, right or entitlement which is in any way related to procurement or the rendering of any services to PPRA.
- 24.8 Has in the past engaged in any matter referred to above; or
- 24.9 Has been found guilty in a court of law on charges of fraud and/or forgery, regardless of whether a prison term was imposed and despite such bidder, member or director's name not specifically appearing on the List of Tender Defaulters kept at National Treasury.

## **25. MISREPRESENTATION**

- 25.1 The bidder should note that the terms of its bid will be incorporated in the proposed contract by reference and that PPRA relies upon the bidder's proposal as a material representation in making an award to a successful bidder and in concluding an agreement with the bidder.
- 25.2 It follows therefore that misrepresentations in a bid may give rise to service termination and a claim by PPRA against the bidder notwithstanding the conclusion of the Service Level Agreement between PPRA and the bidder for the provision of the Service in question. In the event of a conflict between

the bidder's proposal and the Service Level Agreement concluded between the parties, the Service Level Agreement will prevail.

## **26. INDEMNITY**

- 26.1 If a bidder breaches the conditions of this bid and, as a result of that breach, PPRA incurs costs or damages (including, without limitation, the cost of any investigations, procedural impairment, repetition of all or part of the bid process and/or enforcement of intellectual property rights or confidentiality obligations), then the bidder indemnifies and holds PPRA harmless from any and all such costs which PPRA may incur and for any damages or losses PPRA may suffer.

## **27. PRECEDENCE**

- 27.1 This document will prevail over any information provided during any briefing session whether oral or written, unless such written information provided, expressly amends this document by reference.

## **28. LIMITATION OF LIABILITY**

- 28.1 A bidder participates in this bid process entirely at its own risk and cost. PPRA shall not be liable to compensate a bidder on any grounds whatsoever for any costs incurred or any damages suffered because of the Bidder's participation in this Bid process.

## **29. TENDER DEFAULTERS AND RESTRICTED SUPPLIERS**

- 29.1 No tender shall be awarded to a bidder whose name (or any of its members, directors, partners, or trustees) appear on the Register of Tender Defaulters kept by National Treasury, or who have been placed on National Treasury's List of Restricted Suppliers. PPRA reserves the right to withdraw an award, or cancel a contract concluded with a Bidder should it be established, at any time, that a bidder has been listed as defaulted with National Treasury by another government institution.

## **30. RESPONSIBILITY FOR SUB-CONTRACTORS AND BIDDER'S PERSONNEL**

- 30.1 A bidder is responsible for ensuring that its personnel (including agents, officers, directors, employees, advisors, and other representatives), its sub-contractors (if any) and personnel of its sub-contractors comply with all terms and conditions of this bid. In the event that PPRA allows a bidder to make use of sub-contractors, such sub-contractors will at all times remain the responsibility of the bidder and PPRA will not under any circumstances be liable for any losses or damages incurred by or caused by such sub-contractors.

## **31. CONSULTATION PRIOR TO SUBMISSION OF THE BID DOCUMENTS**

- 31.1 Bidders shall consult, in writing, with the PPRA's officials indicated under enquiries should there appear to be any discrepancy, ambiguity or uncertainty pertaining to the meaning or effect of any description, dimension, quality, quantity or any other information contained in this bid. PPRA undertakes to provide clarification in writing to all Bidders, provided that the request is received prior to the closing date and time for clarifications.

## **32. CLARIFICATIONS AND COMMUNICATION**

- 32.1 Bidders are encouraged to submit clarification questions in writing to Property Practitioner Regulatory Authority (PPRA) officials mentioned above at least ten (10) days before the closing date and time.
- 32.2 The PPRA will respond in writing to queries and distribute to all bidders invited for bid.
- 32.3 Oral communication or instruction by PPRA or its representative shall have no standing in this bid unless and until they have been confirmed in writing.
- 32.4 Whilst all due care has been taken in connection with the preparation of this bid, PPRA makes no representations or warranties that the content of the bid or any information communicated to or provided to Bidder(s) during the bidding process is, or will be, accurate, current, or complete. PPRA,

and its employees and advisors will not be liable with respect to any information communicated which may not accurate, current, or complete.

- 32.5 If Bidder(s) finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by PPRA (other than minor clerical matters), the Bidder(s) must promptly notify PPRA in writing of such discrepancy, ambiguity, error, or inconsistency in order to afford PPRA an opportunity to consider what corrective action is necessary (if any).
- 32.6 Any actual discrepancy, ambiguity, error or inconsistency in the bid or any other information provided by PPRA will, if possible, be corrected and provided to all Bidder(s) without attribution to the Bidder(s) who provided the written notice.
- 32.7 All persons (including Bidder(s)) obtaining or receiving the bid and any other information in connection with the Bid, or the Tendering process must keep the contents of the Bid and other such information confidential and not disclose or use the information except as required for the purpose of developing a proposal in response to this Bid.

## **TERMS OF REFERENCE**

### **TERMS OF REFERENCE FOR THE APPOINTMENT OF AN INVESTMENT PORTFOLIO MANAGEMENT COMPANY OR FINANCIAL INSTITUTION FOR PROPERTY PRACTITIONERS' FIDELITY FUND (PPFF) WHICH IS OWNED AND CONTROLLED BY PROPERTY PRACTITIONERS' REGULARITY AUTHORITY(PPRA) FOR A PERIOD OF FIVE (5) YEARS**

**BID NUMBER: PPRA 10/2024**

#### **1. INTRODUCTION**

The Estate Agency Affairs Board ('the EAAB') was established in 1977, pursuant to the provision of the Estate Agency Affairs Act, 112 of 1976 ('EAAAct'), with the mandate to regulate and control the property practitioner's industry in the public interest. The EAAB in February 2022 changed its name to Property Practitioners Regulatory Authority (PPRA). Property Practitioners Act (PPA) promulgated to provide for the regulation of property practitioners; to provide for the continuation of the Estate Agency Affairs Board as the Property Practitioners Regulatory Authority (PPRA).

The PPRA is a schedule 3A public entity in terms of the Public Finance Management Act, reporting to the Department of Human Settlement (DHS) as its Executive Authority. PPRA is committed to Broad Based Black Economic Empowerment Act 55 of 2003 and the Codes of Good Practice.

PPRA is administrative entity and is responsible to manage and control the Property Practitioners Fidelity Fund in terms of the PPA Act.

The Authority may, with the approval of the Minister, outsource the management and administration of the Fund to any portfolio management company or a financial institution in terms of the Financial Sector Conduct Authority Act, 2018, on the terms and conditions approved by the Minister.

##### **1.1 Establishment and control of the Property Practitioners Fidelity Fund**

PPA s34 states that the Fund established by section 12 of the Estate Agents Affairs Act, 1976, known immediately before the commencement of this Act as the Estate Agents Fidelity Fund, continues to operate as if it were established in terms of this Act, under the name Property Practitioners Fidelity Fund.

The purpose of the fund is amongst others to pay out claims lodged by members of the public who suffer losses pursuant to the misconduct of the property practitioners as specified in section 37 of the PPA.

The Fund must be maintained and applied to reimburse persons who suffer pecuniary loss by reason of—

- a. theft of trust money committed by a property practitioner who was in possession of a Fidelity Fund certificate at the time of the theft; or
- b. the failure by a property practitioner to comply with section 54(1) or (3). (2) No person has any claim against the Authority as contemplated in subsection (1) unless the claimant has:
  - i. within three years after the circumstances giving rise to a claim came into being, given notice to the Authority of such claim as contemplated in section 37; or
  - ii. within the three-year period contemplated in paragraph (a) after a written request was sent to him or her by the Authority, furnished to the Authority such proof as it may reasonably require.

##### **1.2 Source of income for the Property Practitioners Fidelity Fund**

The income of the fund in terms s34(2) of the PPA includes the following:

The main sources of income for the Fund are:

- a) a “once-off” contribution payable by newly registered property practitioners.
- b) a return on investments.
- c) money recovered by or on behalf of the Fund in the exercise of any right conferred by the Property Practitioners Act.
- d) money received on behalf of Fund from any insurance company; and;
- e) Interest on trust monies held by estate agency enterprises in the absence of a written instruction specifying how such interest is to be dealt with.

### **1.3 Investment of monies in the Fund**

Monies in the Fund not immediately required for the purpose of the fund shall be invested with any and with any banking institution registered other than provisionally under section 4 of the Banks Act, 1965 (Act 23 of 1965) in line with National Treasury regulations to continue investing outside CPD.

The value of the Fidelity Fund Investments as at 31 March 2024 is R 593 922 931. These investments are currently held in the PPFF IPS’s approved banks in the money market and/or call accounts.

## **2. CONTRACT PERIOD**

The appointment of a successful service provider would be for a period of five (5) years, subject to annual performance review by the Finance and Investment Committee.

The appointed service provider must ensure that they maintain their independence in providing advice to the PPFF for the entire duration of the agreement.

## **3. CONDUCT OF THE WORK**

The work will be conducted between PPRA offices and service providers’ offices, with regular meetings. The service provider will be required to engage monthly with management, furnish reports and presentation to Finance & Investment Committee at least quarterly.

Portfolio management company or a financial institution will be evaluated based on the portfolio’s performance against their Investment Proposal presented and approved by the Finance and Investment Committee. The portfolio’s performance against the proposed investment plan will be evaluated on a quarterly basis.

The service fee will be in accordance with standard industry institutional fee or as agreed between the two parties. The service fee must be presented to management for review and approval. Any other fees earned or received should be disclosed and offset against the agreed service fee.

The service provider will invoice PPFF according to the agreed fee and PPFF will make payment directly to the service provider.

The service provider will be obliged to invest in line with the revised approved PPFF investment policy statement and strategy.

## **4. SCOPE OF WORK**

The appointed service provider will be required to:

- a) Development / review of investment policy statement and investment strategy for the Fidelity Fund
- b) Assisting in managing the investments and ensure optimal returns on the investment
- c) Monitoring of investment performance
- d) Investment reporting, trends and market analysis
- e) Provide an independent advice on the investments in line with the Investment policy and strategy.

- f) Provide monthly reports to management (Total Portfolio & Per Fund Manager)
- g) Provide and present quarterly reports to Finance and Investment Committee
- h) Provide any other extra reports that Finance and Investment Committee and Management may require regarding the investments.

## **5. DELIVERABLES**

As indicated above the expected outcomes and deliverables will include

- a) Investment Policy review and updates
- b) Investment Strategy formulation and presentation to FINCO
- c) Monthly and Quarterly Investment Reports
- d) Trends and Market Analysis
- e) Attending FINCO meetings quarterly and Board meetings when required
- f) Presentation of the quarterly report
- g) To assist in resolving Auditor General queries relating to the investments
- h) Ad hoc report such as dashboard reports, audit bank confirmation etc.

## **6. DUE DILIGENCE /SITE INSPECTION**

At the PPRA's discretion, a due diligence and/or site inspection may be conducted on the identified service provider (the due diligence site visit may take place remotely). PPRA will visit the identified service providers' premises with the objective of verifying information as contained in their bid documents.

Where applicable, the PPRA will issue criteria for the due diligence review or site inspection beforehand to the applicable service provider. Should it be discovered during a due diligence visit or site inspection that the information submitted by the identified service provider is inconsistent with what is on their current premises of business, PPRA reserves the right to disqualify such service provider.

## **7. PROPOSAL/PRESENTATION**

The potential bidders should focus on the following aspects in their proposal and presentation:

- 7.1. Bidder is required to certify that they are independent of other Asset Managers and Investment Institutions or declare their financials and other relationships.
- 7.2. Demonstration of the bidder's substantial investment portfolio management or a financial institution's experience, with emphasis on best practice methodology, tools and technology used.
- 7.3. Qualifications, skills, expertise and experience of the bidders' key personnel of the portfolio management or a financial institution team which must include:
  - a) The structure and composition of the proposed team, clearly outlining the main disciplines/specialties and the key personnel responsible for each specialty.
  - b) CVs of key personnel which highlight qualifications, areas of experience/competence, relevant to the tasks and objectives of the assignment, and the years of experience. The proposed Key Core Team shall not be changed without prior approval of the Finance & Investment Committee.
  - c) The assigned team (specialist) must have an NQF level 8 or higher in Finance, Accounting, Mathematics, Economics or a related discipline in investment and finance. The lead consultant & the backup lead consultant must have a master's qualification or higher. Provide proof of active membership of the lead consultant to confirm that she/he belongs to a professional body (actuarial investment or finance)
- 7.4. Shareholding and Management structure.
- 7.5. Employment Equity Policy.

- 7.6 Service fee structure.
- 7.7 Minimum of three (3) written external contactable current references on a corporate letterhead, size of investment under management and size of client base and.

The appointment will be with the portfolio management company or a financial institution, not with any individual.

## **8. ADMINISTRATIVE REQUIREMENT**

- 8.1 Bidders must ensure that they fully complete, and sign documents as indicated below, and the documents must be submitted as part of the bid document by the closing date and time:
  - 8.1.1 SBD 1: Invitation to Bid.
  - 8.1.2 SBD 4: Bidders disclosure.
  - 8.1.3 SBD 6.1: Preference Points claim form in terms of the Preferential Procurement Regulations 2022  
Submit proof for the points claimed under specific goals.
- 8.2 The bidder must be registered on Central Supplier Database (CSD):  
The bidder must ensure that their company is registered on CSD (attach the CSD report with the bid document or provide bidder CSD registration number).
- 8.3 Bidders must submit their SARS TCS PIN number and CSD Supplier number with their bid so that the bidder's Tax Compliance Status can be verified.

## **9. EVALUATION PROCESS**

- 9.1 Bidders will be evaluated on mandatory bid requirements first, functionality, then presentation evaluation and price and preference points in accordance with PPRA's Approved Supply Chain Management Policy as well as the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) (PPPFA).
- 9.2 The evaluation will be conducted by a bid evaluation committee that will be using the 80/20 preference point system and the lowest acceptable tender will be used to determine the applicable preference point system. The evaluation will be done in Four (4) Phases namely:
  - a) Mandatory bid requirement.
  - b) Functionality.
  - c) Presentation evaluation criteria.
  - d) Price and Preference points.

## 9.2.1 PHASE 1: MANDATORY BID REQUIREMENTS

Below are mandatory required documents which must be submitted with the bid document and only bidders that have submitted all the documents will be evaluated for mandatory requirements. **Non submission of all mandatory documents will result in the bidder being disqualified:**

9.2.1.1 Proof of Registration with Financial Sector Conduct Authority (FSCA) and Proof of Fit and Proper status for the Key individuals and Representatives with the FSCA.

9.2.1.2 Bidders latest three (3) years audited Financial Statements not older than 2021.

9.2.1.3 Proof of fidelity insurance cover that is required in terms of FSCA and FAIS legislation with a minimum of R50 million.

9.2.1.4. Provide proof of active membership of the lead consultant to confirm that she/he belongs to a professional body.

9.2.1.5. Invitation to bid must be Completed and signed (SBD 1).

9.2.1.6. Bidders' Disclosure must be fully completed and signed (SBD 4).

## 9.2.2 PHASE 2: FUNCTIONALITY EVALUATION

The proposal submitted by the bidder will be evaluated based on the following criteria and be rated as the factor score over 5 multiplied by the applicable points:

Factor scores: 0 = Poor ;1 = Below average; 2 = Average, 3 = Good, 4 = Very Good, 5 = Excellent

Functionality will be evaluated as outlined in the table below:



EVALUATION CRITERIA	DESCRIPTION	FURTHER DETAIL	SUB		MAXIMUM POINTS
			FACTOR	POINTS	
1. Firm's experience in providing investment consulting services	1.1. Demonstrate the firm's experience in consulting on setting an investment strategy and portfolio construction. Setting out relevant previous experience, specifically providing services to State Owned Entities.	1.1.1 Firm has 6 years or less experience.	0-2	10	30
		1.1.2 Firm has 7-10 years' experience.	3		
		1.1.3 Firm has more than 10 years' experience, which includes consulting to State Owned Entities. Include a letter on a corporate letterhead to this effect.	5		
	1.2 Demonstrate the firm's experience in fund manager research, including having the necessary systems.	1.2.1 Bidder has 6 or less experience and/or systems to conduct fund manager research.	0-2	15	
		1.2.2 Bidder has 7-10 years or less experience in conducting fund manager research. This includes the necessary systems to conduct such research.	3		
		1.2.3 Bidder has more than 10 years' experience in conducting fund manager research. This includes the necessary systems to conduct such research.	5		
	1.3 Number of client references provided for on a corporate letterhead whom the firm provided investment consulting services. Indicate what type of entity the client is if the appointment is current or when the appointment expired.	1.3.1 Bidder provided three contactable references and/or client's reference letters on a corporate letterhead.	3	5	
		1.3.2 Bidder provided more than three contactable references and/or client's reference letters on a corporate letterhead.	5		
2. Corporate governance	2.1 Indicate the firm's governance and internal controls that are in place to strengthen the PPRA's activities and assure independence on the services	2.1.1 Bidder did not provide indication of its governance and internal controls as required. And/or bidder did not address satisfactorily potential conflict of interest	0-2	10	10

	and advice provided to clients. Set out company/group structure and highlight any potential conflict of interest across group activities / services / offerings and how it is managed. For example, asset management, multi-managed and brokerage products that the consultant could offer PPRA in rendering advice.	that might arise through other company/group activities.			
		2.1.2 Bidder did provide indication of its governance and internal controls as required, and bidder addressed satisfactorily potential conflict of interest that might arise through other company/group activities.	3-5		
3. Team experience	3.1 Profile of proposed lead consultant. Setting out qualifications, years of experience and list of clients.	3.1.1 The lead consultant has 1 to 5 years of experience in providing investment consulting services. Minimum NQF 9 in Finance, Accounting, Mathematics, Economics or investment and finance related discipline	0-2	15	30
		3.1.2 The lead consultant has 6 to 8 years of experience in providing investment consulting services. Minimum NQF 9 in Finance, Accounting, Mathematics, Economics or investment and finance related discipline.	3		
		3.1.3 The lead consultant has 9 to 12 years of experience in providing investment consulting services. Minimum NQF 9 in Finance, Accounting, Mathematics, Economics or investment and finance related discipline.	4		
		3.1.4 The lead consultant has more than 12 years of experience in providing investment consulting services. Minimum	5		

		NQF 9 in Finance, Accounting, Mathematics, Economics or investment and finance related discipline.			
	3.2 Profile of proposed fund manager research specialist. Setting out qualifications, years of experience.	3.2.1 The fund manager research specialist has 1 to 5 years of experience in conducting manager research. Minimum NQF 8 in Finance, Accounting, Mathematics, Economics or investment and finance related discipline.	0-2	10	
		3.2.2 The fund manager research specialist has more than 6 - 9 years of experience in conducting manager research. Minimum NQF 8 in Finance, Accounting, Mathematics, Economics or investment and finance related discipline.	3		
		3.2.3 The fund manager research specialist has more than 10 years of experience in conducting manager research. Minimum NQF 8 in Finance, Accounting, Mathematics, Economics or investment and finance related discipline.	5		
	3.3 Back-up and continuity plan in respect of the nominated lead consultant to ensure continuity in services offered to PPRA.	3.3.1 Firm provided a backup, and/or continuity plan. The proposed back-up lead consultant has 1 to 5 years of experience in providing investment consulting services Minimum NQF 9 in Finance, Accounting, Mathematics, Economics or investment and finance related discipline.	2	5	
		3.3.2 Firm provided a backup, and/or continuity plan. The proposed back-up lead consultant has 6 to 9 years of experience in providing investment consulting services. Minimum NQF 9 in Finance, Accounting, Mathematics, Economics or	3		

		investment and finance related discipline.			
		3.3.3 Firm provided a backup, and/or continuity plan. The proposed back-up lead consultant has at least 10 years of experience in providing investment consulting services. Minimum NQF 9 in Finance, Accounting, Mathematics, Economics or investment and finance related discipline.	5		
4. Approach used to provide investment consulting services, as well as administration and reporting services	4.1 Bidder must provide the approach that will be followed in setting, implementing, managing and monitoring an investment strategy and investment portfolio. Including systems that bidder uses to support its recommendations, stating how long systems have been in use and frequency of use.	4.1.1 Bidder did not provide detailed approach.	0	15	30
		4.1.2 The bidder provided a detailed approach, but it does not meet the requirements.	1-2		
		4.1.3 The bidder provided a detailed approach that meets the requirements of the bid. The score allocated depends on the quality of the approach.	3-5		
	4.2 Bidder must provide the approach followed and systems used to conduct fund manager research, selection, manager blending and ongoing fund manager monitoring. Bidder must provide the administration system used and an example of a report to be provided.	4.2.1 Bidder did not provide detailed approach.	0	15	
		4.2.2 The bidder provided a detailed approach, but it does not meet the requirements.	1-2		
		4.2.3 The bidder provided a detailed approach that meets the requirements of the bid. The score allocated depends on the systems used, the approach and the sample report.	3-5		
TOTAL					100

All bidders who score less than 80% (80 points) on functionality will be eliminated and will be regarded as having submitted a non-responsive bid and will be disqualified.

Bidders who score 80% or more on functionality will qualify for Phase 3 evaluation which will entail the presentation of their proposals to the **Bid Evaluation Committee of PPRA**.

### 9.2.3 PHASE 3: PRESENTATION BY SHORTLISTED FIRMS

The shortlisted firms who score a minimum of 80 points on Functionality will be required to present at 30 minutes presentation of their detailed proposal to the PPRA. Firms will be advised of the presentation date and time at least 3 days prior.

#### PRESENTATION CRITERIA

Bidders who score 80 or more points in functionality evaluation stage will be requested to conduct presentation to the PPRA's Bid Evaluation Committee. PPRA's Bid Evaluation Committee will do the scoring for presentation in terms of the presentation criteria. Presentations would be scored as outlined in the table below:

**Presentation and evaluation criteria**

<b>Description</b>	<b>Maximum Points</b>
Demonstrate the ability to assist with the annual review of the Investment Policy and Investment Strategy	20
Demonstrate the ability to implement the approved Investment Strategy.	20
Provide assurance on the lead consultant and support team's capacity and flexibility to consult to the PPRA in relation to the total number of clients consulted to, and how this available capacity will be managed and maintained throughout the duration of the contract.	10
Demonstrate the knowledge & impact of trends and market analysis on the investments and investment reporting.	20
Monitoring of investment performance and provision of independent advice on investments maturing /current status	20
Presentation in general	10
<b>Total Score</b>	<b>100</b>

Bidders are required to score a minimum of 80 points on presentation to progress to Phase 4.

## PRICING SCHEDULE

**It is important to note that paragraph Error! Reference source not found. of the terms of reference must be read and considered when completing the pricing proposal as it specifies the scope of services that will be.**

Bidders are required to submit their fee schedule in the format prescribed below. The proposed fee must include all costs for providing services to the PPFF as described in this bid. The quotation must be in the letterhead of the bidder.

The fees provided must be the full and total fees that will be incurred by the PPFF over the contract term. And no fee escalations will be allowed over the contract period, e.g. inflation linked increases.

	Year 1	Year 2	Year 3	Year 4	Year 5
	Rand amounts or Total Basis Points				
<b><u>Fees based on an annual retainer basis</u></b> Investment Strategy, Investment Policy Statement, Asset and Liability Modelling, SAA Modelling, Portfolio Construction, Manager Selection, Platform Implementation, Risk Management, Unitisation and Governance Committees.					
<b>TOTAL INCLUDING VALUE ADDED TAX</b>					

### 9.2.4. PHASE 4: PRICE AND PREFERENCE POINT SYSTEM

This stage of the evaluation is in line with the PPPFA, PPR 2022 and the PPRA SCM Policy prescribing the framework for the Preference Point System.

The Entity is applying the 80/20 Preference Point System for this tender. A maximum score of eighty (80) points will be allocated for Price quoted by the Bidder, as per Regulation 5 of PPR 2022 and twenty (20) points are allocated in line with the persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994;

	POINTS
Price	80
Preference Point – Specific Goals	20
Total points for Price and Preference Points	100

#### Price Evaluation:

The following formula shall be used to calculate the points out of 80 for price in respect of quotations/bids with a Rand value equal to or below R50 000 000 (all applicable taxes included):

$$PS = 80 \left( 1 - \frac{Pt - Pmin}{pmin} \right)$$

Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

Pmin = Price of lowest acceptable bid

#### Preference Point – Specific Goals:

A maximum of 20 points will be awarded to a tenderer for the Specific Goal specified in this tender.

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.

#### Specific Goals Requirements

To qualify for Specific Goal points, Bidders must provide evidence and verifiable documentation as proof to claim the Preference Points.

SPECIFIC GOALS	PROOF OF EVIDENCE	POINTS
Black People	Attach ID document	10
Women	Attach ID document	4
Youth	Attach ID document	2
People with Disability	Attach proof (Doctor's report)	2
People who are Military Veterans	Attach proof	2

#### **10. ADDITIONAL REQUIRED INFORMATION (ONLY PROVIDED ON REQUEST)**

The bidder may be requested to furnish SCM practitioners or officers with information such as a company profile that comprises; management personnel, supervisor, composition in terms of shareholding, address of the head office, regional office, or branches, disclose the date the company commenced its operation and reference letter of the related job completed successfully, etc.



**BIDDER'S DISCLOSURE****1. PURPOSE OF THE FORM**

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

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

**2. Bidder's declaration**

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

2.2 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

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

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

2.2.2 If so, furnish particulars:

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2.2.3 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**

2.2.4 If so, furnish particulars:

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### 3. DECLARATION

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

- 3.1 I have read, and I understand the contents of this disclosure.
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect.
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium<sup>2</sup> will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.5 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.6 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.

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.

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

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

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

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Position: \_\_\_\_\_ Name of Bidder: \_\_\_\_\_

## SBD 6.1

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

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

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

#### 1. GENERAL CONDITIONS

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

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

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

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

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

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

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

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
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:

<b>80/20</b>	or	<b>90/10</b>	
$Ps = 80 \left( 1 - \frac{Pt - P_{min}}{P_{min}} \right)$	or	$Ps = 9 \left( 1 - \frac{Pt - P_{min}}{P_{min}} \right)$	

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

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

#### 3.2.3 POINTS AWARDED FOR PRICE

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

<b>80/20</b>	or	<b>90/10</b>	
$Ps = 80 \left( 1 + \frac{Pt - P_{max}}{P_{max}} \right)$	or	$Ps = 90 \left( 1 + \frac{Pt - P_{max}}{P_{max}} \right)$	

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 (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Black People (Attach ID Copy)	10	
Woman (attach ID copy)	4	
Youth (Attach ID copy)	2	
People with Disability (Attach proof)	2	
People who are Military Veterans (Attach proof)	2	

## 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.

.....  
**SIGNATURE(S) OF TENDERER(S)**

**SURNAME AND NAME:** .....

**DATE:** .....

**ADDRESS:** .....

.....

.....

.....

# **GOVERNMENT PROCUREMENT**

## **GENERAL CONDITIONS OF CONTRACT**

### **NOTES**

The purpose of this document is to:

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

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

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



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# General Conditions of Contract

- 1. Definitions    1.    The following terms shall be interpreted as indicated:**
- 1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
  - 1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
  - 1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
  - 1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
  - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
  - 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
  - 1.7 "Day" means calendar day.
  - 1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.
  - 1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.
  - 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
  - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
  - 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
  - 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
  - 1.14 "GCC" means the General Conditions of Contract.
  - 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
  - 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct

importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.

- 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.
- 1.23 "SCC" means the Special Conditions of Contract.
- 1.24 "Services" means that functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 1.25 "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

## **2. Application**

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

## **3. General**

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

## **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 analysed 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:
  - 1) performance or supervision of on-site assembly and/or commissioning of the supplied goods.
  - 2) furnishing of tools required for assembly and/or maintenance of the supplied goods.
  - 3) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods.
  - 4) 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 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

- 5) training of the purchaser's personnel, at the supplier's plant and/or
  - i) on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.
  - ii) prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

## **14. Spare parts**

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

## **15. Warranty**

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

## **16. Payment**

- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.

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

## **17. Prices**

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

## **18. Contract amendments**

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

## **19. Assignment**

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

## **20. Subcontracts**

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

## **21. Delays in the supplier's performance**

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

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

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

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

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

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling 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:
- i) 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;
  - ii) if the Supplier fails to perform any other obligation(s) under the contract; or
  - iii) 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 should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard
- 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 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;
  - i) 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
  - ii) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment

## **29 Governing language**

- 29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

## **30 Applicable law**

- 30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.

## **31 Notices**

- 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
- 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

## **32 Taxes and duties**

- 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

## **33. National Industrial Participation (NIP Programme)**

- 33.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 33.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 33.3 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.
- 33.4 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.