

**PART A
INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF MUNICIPALITY/ MUNICIPAL ENTITY)					
BID NUMBER:	TEDA TIPP: BID 01/01/24:	CLOSING DATE	08 MARCH 2024	CLOSING TIME:	11:00 am
DESCRIPTION	THE APPOINTMENT OF A TRANSACTIONAL ADVISOR TO PROVIDE PROFESSIONAL SERVICE FOR THE GARSFONTEIN DEVELOPMENT FOR A 36-MONTH PERIOD.				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
					Bid Validity 90 days
TSHWANE ECONOMIC DEVELOPMENT AGENCY (TEDA)					
GROUND FLOOR					
LAKE VIEW BUILDING					
1277 MIKE CRAWFORD ROAD					
CENTURION MALL					
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	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	
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<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]	
TOTAL NUMBER OF ITEMS OFFERED			TOTAL BID PRICE	R	
SIGNATURE OF BIDDER		DATE		
CAPACITY UNDER WHICH THIS BID IS SIGNED					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:			TECHNICAL INFORMATION MAY BE DIRECTED TO:		
DEPARTMENT	TEDA		CONTACT PERSON	Gabriel Motlotsi	
CONTACT PERSON	Mokgadi Mapokane		TELEPHONE NUMBER	012 358 6528	
TELEPHONE NUMBER	012-358 6539		FACSIMILE NUMBER	N/A	
FACSIMILE NUMBER	N/A		E-MAIL ADDRESS	gabrielmo@tshwane.gov.za	
E-MAIL ADDRESS	mokgadima@tshwane.gov.za				

PART B TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:										
<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. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.</p>										
2. TAX COMPLIANCE REQUIREMENTS										
<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 THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE 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 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.</p> <p>2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.</p> <p>2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.</p> <p>2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.</p>										
3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS										
<table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">3.1. IS THE ENTITY 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 ENTITY 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 ENTITY 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 ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?</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 REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.</p>	3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	<input type="checkbox"/> YES <input type="checkbox"/> NO
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**NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.
NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.**

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

DATE:

Name of Bidder..... Bid Number:

Closing Time: **11H00**

Closing Date: **08 March 2024**

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

SERVICE DESCRIPTION: PRICING SCHEDULE FOR THE APPOINTMENT OF A TRANSACTIONAL ADVISOR TO PROVIDE PROFESSIONAL SERVICE FOR THE GARSFONTEIN DEVELOPMENT FOR A 36-MONTH PERIOD.

1. The accompanying information must be used for the formulation of proposals.
2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the service. *(Additional information may be provided separately)*
3. DELIVERABLES ACCORDING TO WHICH THE SERVICE WILL BE UNDERTAKEN, FEES PER DELIVERABLE AND RELEVANT TIMELINES.

ITEM	DELIVERABLES	INDICATIVE DURATION (WEEKS/MONTH)	PRICE PER DELIVERABLE (VAT EXCL.)
1	Inception Report		R
2	Due diligence and technical report		R
3	Contract advise and solution report		R
4	Negotiation with the Developer		R
5	Monthly (approximately 36 months) Contract Administration		R
6	Disbursements (NB – This can be distributed as per deliverable)		R
SUBTOTAL			R
VAT at 15%			R
TOTAL BID PRICE			R

- 3.1 **Travel expenses.** This cost must be included in the total bid price. All applicable taxes to be “included” includes Value Added Tax, pay as you earn, Income tax, Unemployment Insurance Fund contributions and skills development levies.
4. Period required for commencement with service after acceptance of bid.....
5. Estimated duration to complete the service as per the Project Plan.....
6. Are the rates quoted firm for the full period of the contract?*YES/ NO
7. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index
8. ***Does your offer comply with the terms of reference or not (*YES/ NO) if not, state the extent of deviation on a separate sheet.***

TERMS OF REFERENCE FOR THE APPOINTMENT OF A TRANSACTIONAL ADVISOR TO PROVIDE PROFESSIONAL SERVICES FOR THE DEVELOPMENT OF REMAINDER EXTENT OF PORTION 279 AND 285 OF THE FARM GARSFONTEIN 374-JR (GARSFONTEIN DEVELOPMENT) FOR A 36-MONTH PERIOD.

1. PURPOSE

- 1.1 This term of reference is inviting an experienced Transactional Advisor (TA) to provide professional services for the development of the remainder of extent of portion 279 and 285 of the Farm Garsfontein 374-Jr (Garsfontein Development) for a 36-month period.

2. BACKGROUND

- 2.1 TEDA is a wholly owned municipal entity of the City of Tshwane (CoT) and its mandate includes stimulation of economic activities, a key driver in accelerating economic growth and job creation within the Tshwane area.
- 2.2 Group Property Department provides a full spectrum of property services for the City of Tshwane. The department is entrusted with the custodian responsibility of implementing legislative obligations and exercises due care in managing City owned immovable properties, in accordance with service delivery requirements and the highest and best use of properties, to maximise value.
- 2.3 The Department is responsible for enhancing the efficiency of use through the development and implementation of required property strategies/projects/policies in line with the City's strategic objectives, as well as the City's social, economic, spatial and transformation targets.
- 2.4 The City of Tshwane advertised a Request for Proposals ("RFPs") for 12 strategic land parcels, among these are Remainder Extent of Portion 279 and 285 of The Farm Garsfontein 374-JR.
- 2.5 Subsequently, the development has been awarded and a development agreement between the City of Tshwane and the successful bidder (developer) has been signed. The City assumes substantial financial, technical, legal and operational risks in relation to large-scale (immovable) property development transactions.
- 2.6 In addition, the developer is currently developing a precinct plan for this development. All documents related to this development are available. Unfortunately, it cannot be shared at this stage due to confidentiality matters. The documents will be shared with the successful bidder.

3. SPECIAL CONDITIONS

- 3.1 The successful bidder or professional will be required to enter into a service level agreement with Tshwane Economic Development Agency (TEDA).
- 3.2 The following Special Conditions of Contract shall supplement the General Conditions of Contract. Whenever there is a conflict, the provisions herein shall prevail over those in the General Conditions of Contract and SLA entered.
- 3.3 This bid and all contracts emanating there from will be subject to the General Conditions of Contract (GCC). The Special Conditions are supplementary to those of the General Conditions of Contract. Where, however, the Special Conditions of Contract conflict with General Conditions of Contract, the Special Conditions of the Contract prevail.
- 3.4 **Bidders who are in employment of the State shall automatically be disqualified.**
- 3.5 Bidders who have disputed Municipal rates and taxes and or services towards the municipality or other services suppliers in respect of which payment is overdue for more than 30 days shall automatically be disqualified.
- 3.6 The municipal account submitted may be verified with the relevant municipality. Only municipal accounts less than 3 months will be accepted.
- 3.7 Should the bidder be renting in a leased property, both lessor and the lessee's agreement must be furnished together with the landlord's municipal account or statement Municipal account must be submitted together with the bid documents.
- 3.8 Municipal account requirements are applicable to sub-contracting companies and joint ventures. ***(Failure to comply with the above requirement will lead to disqualification).***

- 3.9 **This is a double-stage bidding process. Bidders are therefore requested to submit their technical proposal separately from their pricing schedule.**
- 3.10 TEDA reserves the right to enter into negotiations with the recommended services provider(s).
- 3.11 Shortlisted bidders may be invited for a presentation.
- 3.12 The technical methodology criteria of the functionality assessment must outline the approach and plan of the proposer and is critical to convince the BID evaluation team on the appreciation of the work required. It will also form as part of the basis for service level agreement content and related negotiations.
- 3.13 No service may be rendered without an official order.
- 3.14 Failure to comply with any of the conditions and special conditions may lead to disqualification.
- 3.15 In the case of a joint venture or consortium bid for the tender, an agreement of the parties should be submitted, and relevant documents submitted. A team constituted for the sake of submission should be maintained when the bidding is successful.
- 3.16 **The successful service provider shall submit a letter to TEDA confirming the composition of the team members as per bid submission or equivalent team members with similar credentials, failure shall lead to immediate termination.**
- 3.17 Bidders that score less than 80 points on functionality will not be evaluated further on Price and BEE.
- 3.18 **All Bidders must continuously monitor amendments that may be made on TEDA the e Tender and TEDA website for the above bid. TEDA will not be held liable/responsible if Tenderers do not view responses to questions/queries/comments which were posted on the e-Tender portal and TEDA website.**

3.19 The expected team should jointly be led by a Professional Commercial Legal Advisor and Economics/Finance Advisor. The technical team should be led by the Professional Project Manager.

3.20 The following are proposed TA team members.

NUMBER	PROFESSIONAL SERVICE
1	Commercial legal/Law professional
2	Urban Economics/ Finance professional
	TECHNICAL TEAM
3	Project Management professional
4	Town Planning professional
5	Architectural professional
6	Civil/Structural Engineering professional
7	Electrical/Mechanical Engineering professional
8	Quantity Surveying professional
9	Property Valuer professional
10	Environmental Specialist professional

3.21 An experience bidder in providing professional advice on local government guided by municipal legislation especially on contract management will be considered.

3.22 It is expected that the technical methodology must cover the resources to be deployed to the service in accordance with the deliverables.

4. THE OBJECTIVES

The successful service provider shall review and conduct due diligent assessment on the development proposal signed between the City of Tshwane and Developer. The due diligence assessment aims to uncover any legal, financial and technical issues that may significantly impact on the proposed development summarised and defined as follows:

- a) Legal and Regulatory Analysis - experience shows that any legal issues not resolved during the feasibility study phase can create significant delays in the negotiations phase and in some cases, have been significant impediments to concluding project closure. A comprehensive legal due diligence must be done to ensure that all foreseeable legal requirements are met for the development of the Garfontein project.
- b) Technical and Technology issues – assess technical and technology solutions that may impact the Project's affordability, value for money, regulatory permissibility, including environmental and social acceptance.
- c) Site enablement issues – uncover any problems that may impact the Garfontein development's affordability, value for money or that will cause regulatory delays related to the securing of a site, including environmental legal and heritage provisions.
- d) Stakeholder analysis – the Transactional Advisor shall identify and conduct an overview of the participating organisations involved in the development, including participating public and private sectors and labour.
- e) Funding analysis – shall also formulate the focus on participating organisations that are relevant for funding development and provide possible funding structures that can be explored for the project.

5. SCOPE OF SERVICES

The scope of services expected in terms of the Garsfontein development is detailed below as follows:

5.1 LEGAL SERVICES

- 5.1.1 Transaction coordination including advice to the City of Tshwane on the viability of the proposed development.
- 5.1.2 Facilitate and lead the negotiation with the developer, culminating in the finalization and signing of a revised development agreement.
- 5.1.3 Provide contract and commercial law advice including contract negotiations, deal-making, and management, environmental law, insurance law, etc.

5.2 INSTITUTIONAL STRUCTURING AND RISK MANAGEMENT

- 5.2.1 Assessment of shareholding structure indicating share allocations, Broad Based Economic Structure of the transaction indicating the shareholding allocation.
- 5.2.2 Negotiating the development concept with the developer and ensuring that the agreed terms and conditions are acceptable to the City.
- 5.2.3 Negotiation on behalf of the City of Tshwane and ensure optimum revenue-sharing configuration.
- 5.2.4 Assess and identify project and financial risks and advise accordingly.

5.3 TECHNICAL SERVICES

- 5.3.1 Review the feasibility studies undertaken to help the City of Tshwane determine whether the Garsfontein development is financially, legally, and technically feasible for the City.
- 5.3.2 The Transactional Advisor should ensure that the technical requirements are designed with the aim of having feasible Garsfontein development. Ensure that specific viability criteria appropriate for the type of infrastructure and the corresponding services are addressed and that:
- a) The infrastructure design meets the specified need.
 - b) The engineering and architectural requirements of the projects should be achievable at a price comparable with similar infrastructure.
 - c) The proposed technical and technology solution is proven otherwise demonstrate proper management or allocation of risks.
 - d) The technical description of the project should assess the geo-technical risks.
 - e) The scope of services should be viable from a regulatory perspective.
 - f) The site assessment and preliminary design is based on the technical feasibility study.
 - g) The cost estimates for the technical and technology options and solutions are market related.
- 5.3.3 Assessment of the development concept demonstrating various phasing/timeframes, typologies and densities.
- 5.3.4 Provisions of support for land / site preparation (zoning) of the subject land parcel for the Garsfontein development.
- 5.3.5 Provide detailed technical assistance to finalize the agreement with the developer.
- 5.3.6 Provide support in managing the implementation of the contract and management of timeframes.

- 5.3.7 Provide contract management services and adherence to contract terms.
- 5.3.8 Coordinate and monitor the progress of the Garsfontein development.
- 5.3.9 Facilitate resolutions of conflicts and dispute in the event of contract bridge and advise the City regarding termination of contract.

5.4 DEVELOPMENT FINANCE AND FINANCIAL MODELLING

- 5.4.1 Evaluate and advise the city on the value for money on the development which includes assessment of direct and indirect costs.
- 5.4.2 Advise on the optimal revenue model including inflation, and revenue estimates and payment mechanism.
- 5.4.3 Confirm the total investment amount for the City of Tshwane and conduct Cost Benefit Analysis (CBA) and test if the solution has value for money to society in socio - economic terms.
- 5.4.4 Prepare an income and cash flow statement for the total investment amount from the City of Tshwane.
- 5.4.5 Provide a recommendation on the payment mechanisms and affordability assessments including the financial model and financial guarantees from funders.

5.5 SOCIAL AND ECONOMIC IMPACT ANALYSIS

- 5.5.1 Examine other spin-off effects and development benefits derived from the Garsfontein development such as energy efficiency attributable to the development.
- 5.5.2 Assess the socio-economic impact on local communities, employment, and empowerment of disadvantage groups. In addition to focus on skills transfer and talent development,

contribution to the local economy, support for local manufacturing, industrialisation, and transformation of spatial space.

- 5.5.3 Within the economic analysis, the Transactional Advisor shall undertake a sensitivity analysis to assess the effects of adverse changes in key assumptions that underline the economic analysis including, but not limited to project costs, energy quantities, and implementation delay.

5.6 STAKEHOLDER MANAGEMENT

- 5.6.1 The Transactional Advisor shall perform an in-depth analysis of each of the participating organization's involvements in the Garsfontein development, including the public and private sectors, as well as organised labour as part of the stakeholder engagement analysis and project structuring exercise.
- 5.6.2 Conclude a consultation plan and consult with the City of Tshwane Departments.
- 5.6.3 The Transactional Advisor shall formulate an appropriate project structure based on the participating organisations and institutions relevant to this development, including regulatory requirements, funding, and operating model.
- 5.6.4 Provide solution option analysis which sets out the range of possible technical, legal and financial options for delivering the Garsfontein development and ensure significant attention to the solution options analysis to avoid any challenges that could have been identified as early as in the options analysis.

6. MANAGEMENT OF THE TRANSACTIONAL ADVISOR

- 6.1 It is strongly advised that the TA appoints an experienced Project Manager to manage the team with relevant qualifications and sector knowledge. The Project Manager should coordinate the activities with various TA team members. TEDA will appoint the successful bidder and the accounting officer, will designate a representative who will oversee the work of the TA directly.

- 6.2 The TEDA representative will establish a project team (Project Steering Committee) to engage regularly with the TA to efficiently complete the various delivery items. The Project Steering Committee will meet at least monthly, and the TA's Project Manager will report progress at these meetings.

7. REPORTING

- 7.1 In addition to the above, meetings will be scheduled to coincide with the key deliverables of the TA in the delivery of the project.
- 7.2 The TEDA representative, after consultation with Group Property Department, will confirm that the TA has satisfactorily completed each deliverable before invoices can be submitted for payment or remuneration to be approved.
- 7.3 The activities are anticipated to take place from the agreed commencement date. Unless otherwise agreed, the activities will be carried out in Garsfontein in the City of Tshwane, Gauteng Province of South Africa.
- 7.4 Within two months from the commencement date, the TA will submit an Inception Report giving a detailed work plan and assignments for everyone in the team. This item shall not be remunerated but will be used as a tool to guide the timelines and deliverables as expected from the appointed TA.
- 7.5 The TA will submit monthly progress reports as may be agreed to describe the progress of work and further planned actions, an updated work schedule, and any key constraints encountered by the team in the performance of the activities.
- 7.6 The monthly detailed progress report and presentation (Ms Powerpoint) in the following format Microsoft Word, PDF is required.
- 7.7 The reports submitted by the TA will be approved within such a period as will be agreed with TEDA, to ensure that no delay or disruption to the TA activities. Reports will be submitted in respect of key deliverables for decision making and approval.

8. GUIDELINES FOR SUBMISSION OF PROPOSAL

- 8.1 The proposals for the envisaged service should be submitted to TEDA before the closing date, at the physical address; 1277, Mike Crawford, Lakeview 3rd floor, Centurion, 0157.
- 8.2 Addressed to the Senior Manager: Supply Chain Management. Your submission must reflect Bidders name, Bid number, Closing date, and address of Bidder.
- 8.3 The succinct proposal must include a résumé of the team members allocated to the selected services of project. The CVs must indicate the expertise and experience that each brings to the contract.

9. DURATION OF APPOINTMENT OF TRANSACTIONAL ADVISOR

- 9.1 The deliverables set out under this Terms of reference are expected to occur within 36 months from the signed agreement between TEDA and the successful Transactional Advisor. In addition, the Transactional Advisor is required to provide a project plan with timeframes as an annexure to their proposal. Details of these milestones and mandatory deliverables, and schedule must be agreed with the successful TA.
- 9.2 The TA's appointment will commence as soon as the contract has been signed and seized once financial close is reached.

10. INFORMATION

- 10.1 Additional information as may be deemed appropriate must be submitted.

11. ADDING VALUE

- 11.1 It is expected that potential service providers will critique the brief with the purpose of adding value where possible in the proposal to be submitted. Thus, the onus is on the service provider to add value to the brief in terms of their special competencies.

12. COST OF SUBMISSION OF PROPOSAL

- 12.1 TEDA is not responsible for any costs incurred by the service providers in the process of developing the proposals. The submitted budget for this service must incorporate all expenses to be incurred by the service provider.

13. OWNERSHIP OF INTELLECTUAL PROPERTY RIGHTS

- 13.1 The ownership of all Intellectual Property Rights associated with this work will be vested within TEDA, for its exclusive use, or for use by TEDA and the City of Tshwane Group Property. Whereas any other stakeholder requires TEDA's prior consent to use all work developed within the assignment.

14. CRITERIA FOR SELECTION OF SERVICE PROVIDERS

- 14.1 The tender will be evaluated in terms of the Preferential Procurement Policy Framework Act using the 80/20 points system, whereas 80 is price and 20 is PPPFA.
- 14.2 A functionality component will be used as a prequalification for further evaluation on 80/20 for transactions not exceeding R50 million.
- 14.3 Functionality points will be evaluated as follows:

See below components, evidence and weight which will serve as the basis of evaluation:

COMPONENTS OF TENDER TO BE EVALUATED		EVIDENCE	WEIGHTING
		TRANSACTIONAL ADVISORY TEAM SHOULD COMPRISE OF THE FOLLOWING TEAM EXPERTISE – (Submit detailed CVs, <u>certified qualifications</u> , and references letters from Clients in their letterheads or testimonial letters should be provided).	
Team Educational Qualification and Experience	Urban Finance/Economics (Total 10 points)	<p>Bidders are expected to indicate relevant qualifications and demonstrate the following:</p> <ul style="list-style-type: none"> • Relevant expertise in developing, analyzing, evaluation of business financial models. • Determine optimal revenue model which includes revenue estimates and payment mechanism. • Develop appropriate shareholding structure. <p><u>URBAN FINANCE/ECONOMICS QUALIFICATIONS AND EXPERIENCE: (10 WEIGHT)</u></p> <p>1. Urban Finance/ Economics Qualifications with professional registration - <u>(Total - 5 points)</u></p> <ul style="list-style-type: none"> • MBA, CFA, CA, MCom (/Finance/Economics) (5 points). • BCom (hon)(Finance/Economics) (3 points). • BCom/ National Diploma/ Certificate (Finance/Economics) (1 points). <p>1.1 Urban Finance/Economics Experiences - <u>(Total - 5 points)</u></p> <ul style="list-style-type: none"> • More than 10 years' work experience. (5 points). • Between 7-10 years' work experience. (4 points). • Between 4-6 years' work experience. (3 points). • Between 1-3 years' work experience. (2 points). • 0 years' work experience. (0 points) 	60

	<p>Bidders are expected to indicate relevant qualifications and demonstrate the following:</p> <ul style="list-style-type: none"> • Relevant expertise in conducting due diligence and recommending the appropriate legal solutions for the City guided by the municipal legislations. • Conduct contract administration and involve in contract negotiations. <p><u>LEGAL/ LAW QUALIFICATIONS AND EXPERIENCE: (10 WEIGHT)</u></p> <p>1.1 Legal/ Law Qualifications with professional registration - <u>(Total - 5 points)</u></p> <ul style="list-style-type: none"> • LLM, Masters (Law) (5 points). • LLB, BCom Law (3 points). • Diploma/ Certificate (Law) (1 points). <p>1.2 Legal/Law Experiences - <u>(Total - 5 points)</u></p> <ul style="list-style-type: none"> • More than 10 years' work experience. (5 points). • Between 7-10 years' work experience. (4 points). • Between 4-6 years' work experience. (3 points). • Between 1-3 years' work experience. (2 points). • 0 years' work experience. (0 points) 	
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		<p>Bidders are expected to indicate relevant qualifications and demonstrate the following:</p> <ul style="list-style-type: none"> Relevant expertise in built environment projects where various technical services were provided. <p><u>TECHNICAL TEAM QUALIFICATIONS AND EXPERIENCES: (40 WEIGHT)</u></p> <p><u>PROJECT MANAGEMENT QUALIFICATIONS AND EXPERIENCES: (5 POINTS)</u></p> <p>1.1 Project Management Qualifications - <u>(Total - 3 points)</u></p> <ul style="list-style-type: none"> Masters, Doctorate (project management) (3 points). BCom, Honours, Postgraduate Diploma, (project management) (2 points). Diploma/ Certificate (project management) (1 points). <p>1.1.1 Project management Experiences - <u>(Total - 2 points)</u></p> <ul style="list-style-type: none"> More than 5 years' work experience. (2 points). Less than 5 years' work experience. (1 points). <p><u>TOWN PLANNING QUALIFICATIONS AND EXPERIENCES: (5 POINTS)</u></p> <p>1.2 Town Planning Qualifications- <u>(Total - 3 points)</u></p> <ul style="list-style-type: none"> Masters / Doctorate (Town planning) Pr. Eng/Pr. Tech Eng. (3 points). Honours or postgrad in planning and Pr. Eng/Pr. Tech Eng. (2 points). B.Eng / Nat Diploma. (1 points). <p>1.2.1 Town Planning Experiences - <u>(Total - 2 points)</u></p> <ul style="list-style-type: none"> More than 5 years' work experience. (2 points). Less than 5 years' work experience (1 points). <p><u>ARCHITECTURAL QUALIFICATIONS AND EXPERIENCES: (5 POINTS)</u></p> <p>1.3 Architectural Qualifications - <u>(Total - 3 points)</u></p> <ul style="list-style-type: none"> Masters / Doctorate (Architectural)and Pr. Arch/Pr. Tech Arch (3 points). Honours or postgrad in engineering and Pr. Eng/Pr. Tech Eng. (2 points). B.Eng / Nat Diploma/ Certificate. (1 points). <p>1.3.1 Architectural Experiences - <u>(Total - 2 points)</u></p> <ul style="list-style-type: none"> More than 5 years' work experience. (2 points). Less than 5 years' work experience. (1 points). <p><u>CIVIL/STRUCTURAL QUALIFICATIONS AND EXPERIENCES: (5 POINTS)</u></p>	
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Technical Team (Total 40 points)

		<p>1.4 Civil/Structural Engineering Qualifications - <u>(Total - 3 points)</u></p> <ul style="list-style-type: none"> • Masters / Doctorate (Civil/Structural engineering) and Pr. Eng/Pr. Tech Eng. (3 points). • Honours or postgrad in engineering and Pr. Eng/Pr. Tech Eng. (2 points). • B.Eng / Nat Diploma/ Certificate. (1 points). <p>1.4.1 Civil/Structural Engineering Experiences - <u>(Total - 2 points)</u></p> <ul style="list-style-type: none"> • More than 5 years' work experience. (2 points). • Less than 5 years' work experience. (1 points). <p><u>ELECTRICAL/MECHANICAL QUALIFICATIONS AND EXPERIENCES: (5 POINTS)</u></p> <p>1.5 Electrical/Mechanical Engineering Qualifications- <u>(Total - 3 points)</u></p> <ul style="list-style-type: none"> • Masters/ Doctorate (Electrical/Mechanical engineering) and Pr. Eng/Pr. Tech Eng. (3 points). • Honours or postgrad in engineering and Pr. Eng/Pr. Tech Eng. (2 points). • B.Eng / Nat Diploma/ Certificate. (1 points). <p>1.5.1 Electrical/Mechanical Engineering Experiences - <u>(Total - 2 points)</u></p> <ul style="list-style-type: none"> • More than 5 years' work experience. (2 points). • Less than 5 years' work experience. (1 points). <p><u>QUANTITY SURVEYING QUALIFICATIONS AND EXPERIENCES: (5 POINTS)</u></p> <p>1.6 Quantity Surveyor Qualifications- <u>(Total - 3 points)</u></p> <ul style="list-style-type: none"> • Masters/ Doctorate (Quantity surveying) and Pr. Qs. (3 points). • Honours or postgrad in quantity surveying and Pr. Qs. (2 points). • B.Eng/ Sc / Nat Diploma/ Certificate. (1 points). <p>1.6.1 Quantity Surveying Experiences - <u>(Total - 2 points)</u></p> <ul style="list-style-type: none"> • More than 5 years' work experience. (2 points). • Less than 5 years' work experience. (1 points). <p><u>PROPERTY VALUER QUALIFICATIONS AND EXPERIENCES: (5 POINTS)</u></p> <p>1.7 Property Valuer Qualifications - <u>(Total - 3 points)</u></p> <ul style="list-style-type: none"> • Masters in Property Valuations and Professional registration (SACPVP) (3 points). • Honours or postgrad in property valuations and Professional registration (SACPVP) (2 points). 	
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		<ul style="list-style-type: none"> • B.Com / Nat Diploma/ Certificate and Professional registration. (1 points). <p>1.7.1 Professional Valuer Experiences - <u>(Total - 2 points)</u></p> <ul style="list-style-type: none"> • More than 5 years' work experience. (2 points). • Less than 5 years' work experience. (1 points). <p><u>ENVIRONMENTAL SPECIALIST QUALIFICATIONS AND EXPERIENCES: (5 POINTS)</u></p> <p>1.8 Environmental Specialist Qualifications - <u>(Total - 3 points)</u></p> <ul style="list-style-type: none"> • Masters/ Doctorate (Environmental management) and Registered EAP/ Pr. Sci. Nat. (3 points). • Honours or postgrad in environmental management and Registered EAP/ Pr. Sci. Nat. (2 points). • B.Sc / Nat Diploma/ Certificate and Registered EAP/ Pr. Sci. Nat. (1 points). <p>1.8.1 Environmental Specialist Experiences - <u>(Total - 2 points)</u></p> <ul style="list-style-type: none"> • More than 5 years' work experience. (2 points). • Less than 5 years' work experience. (1 points). 	
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<p>Technical Approach and Methodology</p>	<p>Methodology, knowledge, and proven track record in respect of the subject matter. Bidders are to note the following:</p> <ul style="list-style-type: none"> • The transaction must be jointly led by professionals with Finance or Economics and legal qualifications and registered or accredited professionals with related bodies. • In respect of methodology, Bidders are required to indicate in a comprehensive and coherent manner the deliverables in respect of the scope of services and how such deliverables will be achieved. • In terms of Knowledge of the subject matter, Bidders are to outline the following: <ul style="list-style-type: none"> ◦ the roll out of activities in thirty-six (36) months guided by the scope of services and include realistic project plans and ◦ record of acumen and infrastructure / tools to undertake the scope of services. <p>Points Allocations:</p> <ul style="list-style-type: none"> • Important issues are approached in an innovative and efficient way, indicating the team has outstanding knowledge of state-of-the-art approaches. The approach paper details ways to improve the services outcomes and the quality of the outputs. (30 points). • The approach is specifically tailored to address the specific services objectives and requirements and is sufficiently flexible to accommodate changes that may occur during execution. (20 points). • The approach is generic and not tailored to address specific services objectives and requirements. The approach does not adequately deal with the critical characteristics of the services. (10 points). • The technical approach and/or methodology is poor/ is unlikely to satisfy service objectives or requirements. The team has misunderstood some aspects of the scope of service and does not deal with the critical aspects of the development project. (5 points) • The methodology was not submitted with the bid. (0 points). 	<p>30</p>
<p>Business Location</p>	<p>Considering the locality of TEDA and in order to minimise costs of travel, bidders are to note that bidders located in the City of Tshwane will be given preference.</p> <p>Points allocation:</p> <ul style="list-style-type: none"> • Tshwane Business locality. (10 points) • Gauteng Business locality, outside Tshwane. (7 points). • Outside Tshwane and Gauteng Province. (3 points). 	<p>10</p>
<p>TOTAL</p>		<p>100</p>

- 14.4 **SPECIAL CONDITION:** Bidders that score less than **80 points** on functionality will not be evaluated further on Price and PPPFA.

15. COMPLIANCE

- 15.1 The proposal must either conform to the minimum requirements as set out in this document, or it must be stated clearly how it deviates from these requirements and why. Proposals strictly sticking to specifications are preferred. Offers exceeding the minimum requirements of the specifications are acceptable. Minor deviations may be considered.
- 15.2 This document will be a binding contract between the successful service provider and TEDA once the proposal has been accepted by the organization.
- 15.3 Service providers are at liberty to discuss any aspect of this request for proposal with the entity and enquiries must be referred to:

Bid enquiries:

Ms Mokgadi Mapokane

Tel: 012 358 6539

E-mail: MokgadiMa@tshwane.gov.za

Technical enquiries:

Mr Sabelo Hlatshwayo

012 358 8643

E-mail: Sabeloh@tshwane.gov.za

OR

Mr Gabriel Motlotsi

Tel: 012 358 6552

E-mail: gabrielmo@tshwane.gov.za

15.4 BRIEFING SESSION

A non-compulsory briefing will be held as follows.

Date: 20 February 2024

Venue: TEDA Offices at 3rd Floor Lakeview Building, 1277 Mike Crawford Road, Centurion,

Time: 10H00

16. PAYMENTS

- 16.1 Payment shall be made on rendering of a professional satisfactory service and submission of the required report.
- 16.2 Payment shall be made into the service provider's bank account after the receipt of an acceptable invoice. (Banking details MUST be submitted for payment to be processed).
- 16.3 Based on the service deliverables, TEDA reserves the right to process payment according to deliverables completed satisfactorily guided by the terms of reference, Bid submission and Inception report.

17. NON-COMPLIANCE WITH DELIVERY TERMS

- 17.1 As soon as it becomes known to TEDA that the incumbent will not be able to render services within the expected period and/or against the quoted price and/or as specified, TEDA must be given immediate written notice to this effect. In instances of non-compliance with certain sections of the contract by the service provider, TEDA reserves the right to terminate the agreement.

18. CONFIDENTIALITY

- 18.1 This proposal and all information in connection therewith shall be held in strict confidence by bidders and usage of such information shall be limited to the preparation of the bid. Bidders shall undertake to limit the unauthorized number of copies of this document. All bids are bound by a confidentiality agreement preventing the unauthorized disclosure of any information regarding TEDA or of its activities to any other organization or individual. The bidders may not disclose any information, documentation, or products to other clients without written approval of TEDA.

19. COPYRIGHT

- 19.1 Copyrights of all documentation (reports) etc. in relation to this bid belong to TEDA. The successful bidder may not disclose any information, documentation, or products to other clients without written approval of TEDA.

20. AWARD OF A CONTRACT

- 20.1 A contract may, on reasonable and justifiable grounds, be awarded to a bidder that did not score the highest number of points.
- 20.2 Only a bidder who has completed and signed the declaration part of the preference points claim form will be considered for preference points.
- 20.3 Before a bid is adjudicated or at any time, it may be required from a bidder to substantiate claims it has made regarding preference points claimed.
- 20.4 Points scored will be rounded off to the nearest 2 decimals. If two or more bids have scored equal total points, the contract will be awarded to the bidder scoring the highest number of points for the specified goals.

21. NON-COMMITMENT

- 21.1 TEDA is not bound to accept any of the bids submitted. TEDA reserves the right to withdraw or amend these terms of reference by notice in writing to all parties who have received the terms of reference prior to the closing date. The cost of preparing bids will not be reimbursed.

22. FRAUD AND CORRUPTION

- 22.1 All prospective service providers are to take note of the implications of contravening the Prevention and Combating of Corrupt Activities Act, Act No 12 of 2004 and any other Act applicable.

23. REVIEW PROCESS

- 23.1 Compliance with requirements:
- a. To evaluate and adjudicate bids effectively, it is imperative that bidders submit responsive bids. To ensure that a bid is regarded as responsive it is imperative to comply with all conditions and to state whenever there are deviations.
 - b. Documents submitted on time by bidders shall not be returned and shall remain the property of TEDA.

24. REASONS FOR REJECTION

- 24.1 TEDA reserves the right to return late bid submissions unopened. TEDA reserves the right to disqualify bids that are not according to specification/Terms of Reference. Bidders must clearly indicate compliance or non-compliance with specification/Terms of Reference.
- 24.2 Bidders shall not contact TEDA or Group Property Management Department on any matter pertaining to their bid from the time the bids are closed to the time the bid has been awarded. Any effort by a bidder to influence the bid evaluation, bid comparisons or bid award decisions in any matter may result in rejection of the bid concerned. TEDA shall reject a submission if the bidder has committed a proven corrupt or fraudulent act in competing for a particular contract.

24.3 TEDA may disregard any submission or cancel an existing contract if that bidder, or any of its directors have:

- a) Abused the Supply Chain Management (SCM) system of any organ of state.
- b) Committed proven fraud or any other improper conduct in relation to such system.
- c) Failed to perform on any previous contract and the proof thereof exists.
- d) Is restricted from doing business with the public sector if such a supplier obtained preferences fraudulently or if such supplier failed to perform on a contract based on the specific goals.

25. PRICING

- 25.1 All prices must be in South African Rand value and must be inclusive of VAT. Fees will be payable in South African Rands, on satisfactory completion of the assignment and or deliverables. Tshwane Economic Development Agency reserves the right to negotiate the cost of deliverables reflected where deemed necessary.
- 25.2 Bidders are required to prepare the responses based on the Price considering the scope of work.
- 25.3 Payment and the Price will be according to deliverables completed. Bidders are therefore required to indicate in respect of each deliverable in the scope of work in relation to payment to be made by TEDA.
- 25.4 Disbursement claim can be processed as per deliverable guided by the percentage split determination.
- 25.5 A priced proposal with deliverables and timelines which corresponds with the scope of work below must be submitted as per the attached pricing schedule (MBD 3.3) – This form should be completed as indicated.

26. PARTIES NOT AFFECTED BY WAIVER OR BREACHES

- 26.1 The waiver (whether express or implied) by any Party of any breach of the terms or conditions

of this contract by the other Party shall not prejudice any remedy of the waiving party in respect of any continuing or other breach of the terms and conditions hereof. No favor, delay, relaxation, or indulgence on the part of any Party in exercising any power or right conferred on such Party in terms of this contract shall operate as a waiver of such power or right nor shall any single or partial exercise of any such power or right under this agreement.

27. TERMINATION FOR DEFAULT

27.1 TEDA, without prejudice to any other remedy for breach of contract, by written notice of default sent to the bidder may terminate this contract in whole or in part:

- (i) if the bidder fails to deliver any or all of the services within the period(s) specified in the contract, or within any extension thereof granted by TEDA pursuant to General Conditions of Contract (GCC Clause 21.2);
- (ii) if the bidder fails to perform any other obligation(s) under the contract;
- (iii) if the bidder, in the judgment of TEDA has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

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

28. RETENTION

28.1 On termination of this agreement, the bidder shall, on demand, hand over all documentation provided as part of the service and all deliverables, etc., without the right of retention, to TEDA.

28.2 No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force and effect unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing, shall also be in writing.

29. SCREENING AND VETTING

- 29.1 Acceptance of this bid may be subject to the condition that both the contracting bidder and its personnel providing the service must be cleared by the appropriate authorities to the level of **Confidential/Secret/ Top Secret**.
- 29.2 All bidders shall be vetted through National Treasury and any defaulters will be disqualified.

30. CLIENT BASE

- 30.1 Bidders must have specific experience in the delivery of the required service and must submit recent references or client base reflecting the entity where a similar service was conducted. TEDA and the City Group Property reserve the right to contact references during the evaluation and adjudication process to obtain confirmation.

31. COMPANY PROFILE, CENTRAL SUPPLIER DATABASE REPORT

- 31.1 Bidders may be a sole proprietor with relevant subcontractors or a company with the relevant subcontractors.
- 31.2 Bidders must submit a company or sole proprietor profile together with the CSD report.
- 31.3 Bidders to submit BBBEE certification or an affidavit certified by the Commissioner of oath or the SAPS.
- 31.4 The service provider who will contract with TEDA must be registered on the CSD as per National Treasury Circular.

32. REGISTRATIONS

- 32.1 Proof of company registration must be submitted in the form of copies of the relevant registration documents e.g., CC/CK, PTY (Ltd). It is the responsibility of the bidder to ensure that their CIPC annual returns are in order and the registration remains valid throughout the contract tenure.

33. TAX CLEARANCE CERTIFICATE

33.1 A valid Tax Clearance Certificate with a Pin issued by the South African Revenue services (SARS) certifying that the taxes of the bidder are in order must be submitted before the closing date and time. It is the responsibility of the bidder to ensure that their SARS annual returns are in order and the registration remains valid throughout the contract.

34. EVALUATION BASIS AND PROCESS

34.1 Bids will be evaluated on 3 categories:

- (i) Compliance with minimum requirements of the bid,
- (ii) Technical content (functionality), **(80 points)** minimum
- (iii) Comparative evaluation based on Price and PPPFA

35. SERVICE LEADER

35.1 The Service leader is the City of Tshwane Group Property Department that has requested the service.

36. LATE BIDS

36.1 Bids received late shall not be considered.

MBD 4

(All claims shall be considered as valid until such time that revised claim is submitted to TEDA)

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state¹.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.

3 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

3.1 Full Name of bidder or his or her representative:.....

3.2 Identity Number:

3.3 Position occupied in the Company (director, trustee, shareholder²):.....

3.4 Company Registration Number:

3.5 Tax Reference Number:.....

3.6 VAT Registration Number:

3.7 The names of all directors / trustees / shareholders members, their individual identity numbers and state employee numbers must be indicated in paragraph 4 below.

3.8 Are you presently in the service of the state? **YES / NO**

3.8.1 If yes, furnish particulars.

.....

¹MSCM Regulations: "in the service of the state" means to be –

(a) a member of –

- (i) any municipal council;
- (ii) any provincial legislature; or
- (iii) the national Assembly or the national Council of provinces;

(b) a member of the board of directors of any municipal entity;

(c) an official of any municipality or municipal entity;

(d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);

(e) a member of the accounting authority of any national or provincial public entity; or

(f) an employee of Parliament or a provincial legislature.

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

3.9 Have you been in the service of the state for the past twelve months?YES / NO

3.9.1 If yes, furnish particulars.....

.....

3.10 Do you have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid? YES / NO

3.10.1 If yes, furnish particulars.

.....

.....

3.11 Are you, aware of any relationship (family, friend, other) between any other bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid? YES / NO

3.11.1 If yes, furnish particulars

.....

.....

3.12 Are any of the company's directors, trustees, managers, principle shareholders or stakeholders in service of the state? YES / NO

3.12.1 If yes, furnish particulars.

.....

.....

3.13 Are any spouse, child or parent of the company's directors trustees, managers, principle shareholders or stakeholders in service of the state? YES / NO

3.13.1 If yes, furnish particulars.

.....

.....

3.14 Do you or any of the directors, trustees, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract. YES / NO

3.14.1 If yes, furnish particulars:

.....

.....

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

Full Name	Identity Number	State Employee Number

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

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

(EQUITY OWNERSHIP CLAIMED BY THE SUPPLIER/ SERVICE PROVIDER SHALL REMAIN VALID AND BINDING UNTIL THE REVISED EQUITY OWNERSHIP CLAIM IS SUBMITTED TO THE TEDA)

PURCHASES

This preference form must form part of all bids invited. It contains general information and serves as a claim form for Historically Disadvantaged Individual (HDI) preference points as well as a summary for preference points claimed for attainment of other specified goals.

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF EQUITY OWNERSHIP BY HISTORICALLY DISADVANTAGED INDIVIDUALS (HDIs), AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022.

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all bids:

- the 80/20 system for requirements with a Rand value of up to R50 000 000; and
- the 90/10 system for requirements with a Rand value above R50 000 000.

1.2 The value of this bid is estimated to not exceed R50 000 000 and therefore the 80/20 system shall be applicable.

1.3 Preference points for this bid shall be awarded for:

- (a) Price; and
- (b) Specific contract participation goals, as specified in the attached forms.

1.3.1 The points for this bid are allocated as follows:

1.3.1.1 PRICE

POINTS

.....

1.3.1.2 SPECIFIC CONTRACT PARTICIPATION GOALS

(a) Historically Disadvantaged Individuals:

- (i) who had no franchise in national elections before the 1983 and 1993 Constitutions 10....
- (ii) who is a female 5.....
- (iii) who has a disability 5.....

(b) Other specific goals (goals of the RDP- plus local manufacture)

- (i)
- (ii)
- (iii)
- (iv)

Total points for Price, HDIs and other RDP-goals must not exceed

100

Separate Preference Points Claim Forms will be used for the promotion of the specific goals for which points have been allocated in paragraph 1.3.1.2 (b) above.

- 1.4 Failure on the part of a bidder to fill in and/or to sign this form may be interpreted to mean that preference points are not claimed.
- 1.5. The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

2. GENERAL DEFINITIONS

- 2.1 **“Acceptable bid”** means any bid which, in all respects, complies with the specifications and conditions of bid as set out in the bid document.
- 2.2 **“Bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods, works or services.
- 2.3 **“Comparative price”** means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration.
- 2.4 **“Consortium or joint venture”** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity for the execution of a contract.
- 2.5 **“Contract”** means the agreement that results from the acceptance of a bid by an organ of state.
- 2.6 **“Specific contract participation goals”** means the goals as stipulated in the Preferential Procurement Regulations 2001.
- 2.6.1 In addition to above-mentioned goals, the Regulations [12.(1)] also make provision for organs of state to give particular consideration to procuring locally manufactured products.
- 2.7 **“Control”** means the possession and exercise of legal authority and power to manage the assets, goodwill and daily operations of a business and the active and continuous exercise of appropriate managerial authority and power in determining the policies and directing the operations of the business.
- 2.8 **“Disability”** means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being.
- 2.9 **“Equity Ownership”** means the percentage ownership and control, exercised by individuals within an enterprise.
- 2.10 **“Historically Disadvantaged Individual (HDI)”** means a South African citizen
 - (1) who, due to the apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act No 110 of 1983) or the Constitution of the Republic of South Africa, 1993, (Act No 200 of 1993) (“the interim Constitution”); and/or
 - (2) who is a female; and/or
 - (3) who has a disability:

provided that a person who obtained South African citizenship on or after the coming to effect of the Interim Constitution, is deemed not to be a HDI;
- 2.11 **“Management”** means an activity inclusive of control and performed on a daily basis, by any person who is a principal executive officer of the company, by whatever name that person may be designated, and whether or not that person is a director.
- 2.12 **“Owned”** means having all the customary elements of ownership, including the right of decision-making and sharing all the risks and profits commensurate with the degree of ownership interests as demonstrated by an examination of the substance, rather than the form of ownership arrangements.

- 2.13 **“Person”** includes reference to a juristic person.
- 2.14 **“Rand value”** means the total estimated value of a contract in Rand denomination that is calculated at the time of bid invitations and includes all applicable taxes and excise duties.
- 2.15 **“Small, Medium and Micro Enterprises (SMMEs)”** bears the same meaning assigned to this expression in the National Small Business Act, 1996 (No 102 of 1996).
- 2.16 **“Sub-contracting”** means the primary contractor's assigning or leasing or making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.
- 2.17 **“Trust”** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person.
- 2.18 **“Trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

3. ESTABLISHMENT OF HDI EQUITY OWNERSHIP IN AN ENTERPRISE

- 3.1 Equity ownership shall be equated to the percentage of an enterprise which is owned by individuals classified as HDIs, or in the case of a company, the percentage shares that are owned by individuals classified as HDIs, who are actively involved in the management and daily business operations of the enterprise and exercise control over the enterprise, commensurate with their degree of ownership.
- 3.2 Where individuals are not actively involved in the management and daily business operations and do not exercise control over the enterprise commensurate with their degree of ownership, equity ownership may not be claimed.

4. ADJUDICATION USING A POINT SYSTEM

- 4.1 The bidder obtaining the highest number of points will be awarded the contract.
- 4.2 Preference points shall be calculated after prices have been brought to a comparative basis.
- 4.3 Points scored will be rounded off to 2 decimal places.
- 4.4 In the event of equal points scored, the bid will be awarded to the bidder scoring the highest number of points for specified goals.

5. POINTS AWARDED FOR PRICE

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

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

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

Where

Ps = Points scored for price of bid under consideration

Pt = Rand value of bid under consideration

Pmin = Rand value of lowest acceptable bid

6. Points awarded for historically disadvantaged individuals

- 6.1 In terms of Regulation 13 (2) preference points for HDI's are calculated on their percentage shareholding in a business, provided that they are actively involved in and exercise control over the enterprise. The following formula is prescribed in Regulation 13 (5) (c):

$$NEP = NOP \times \frac{EP}{100}$$

Where

NEP = Points awarded for equity ownership by an HDI

NOP = The maximum number of points awarded for equity ownership by an HDI in that specific category

EP = The percentage of equity ownership by an HDI within the enterprise or business, determined in accordance with the definition of HDI's.

- 6.2 Equity claims for a trust will only be allowed in respect of those persons who are both trustees and beneficiaries and who are actively involved in the management of the trust.
- 6.3 Documentation to substantiate the validity of the credentials of the trustees contemplated above must be submitted.
- 6.4 Listed companies and tertiary institutions do not qualify for HDI preference points.
- 6.5 A consortium or joint venture may, based on the percentage of the contract value managed or executed by their HDI-members, be entitled to preference points in respect of an HDI.
- 6.6 A person awarded a contract as a result of preference for contracting with, or providing equity ownership to an HDI, may not subcontract more than 25% of the value of the contract to a person who is not an HDI or does not qualify for the same number or more preference for equity ownership.

7. BID DECLARATION

- 7.1 Bidders who claim points in respect of equity ownership must complete the Bid Declaration at the end of this form.

8. EQUITY OWNERSHIP CLAIMED IN TERMS OF PARAGRAPH 2.10 ABOVE. POINTS TO BE CALCULATED FROM INFORMATION FURNISHED IN PARAGRAPH 9.8.

	Ownership	Percentage owned	Points claimed
8.1	Equity ownership by persons who had no franchise in the national elections	10% (Submit BEE Certificate)
8.2	Equity ownership by women	5% (Submit ID document)
8.3	Equity ownership by disabled persons*	5% (Submit Disability Certificate)

*If points are claimed for disabled persons, indicate nature of impairment (see paragraph 2.8 above)

.....

9. SUB-CONTRACTING

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

(Tick applicable box)

YES		NO	
-----	--	----	--

a) If yes, indicate:

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

(Tick applicable box)

YES		NO	
-----	--	----	--

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

10. DECLARATION WITH REGARD TO EQUITY

10.1 Name of firm :

10.2 VAT registration number :

10.3 Company registration number :

10.4 TYPE OF FIRM

- ☐ Partnership
- ☐ One person business/sole trader
- ☐ Close corporation
- ☐ Company
- ☐ (Pty) Limited

[TICK APPLICABLE BOX]

10.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

10.6 COMPANY CLASSIFICATION

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

10.7 TOTAL NUMBER OF YEARS THE FIRM HAS BEEN IN BUSINESS?

10.8 List all Shareholders by Name, Position, Identity Number, Citizenship, HDI status and ownership, as relevant. Information to be used to calculate the points claimed in paragraph 8.

[illegible]

*Indicate YES or NO

10.9 Consortium / Joint Venture

10.9.1 In the event that preference points are claimed for HDI members by consortia / joint ventures, the following information must be furnished in order to be entitled to the points claimed in respect of the HDI member:

[illegible]

10.10 I/we, the undersigned, who warrants that he/she is duly authorised to do so on behalf of the firm certify that points claimed, based on the equity ownership, indicated in paragraph 8 of the foregoing certificate, qualifies the firm for the preference(s) shown and I / we acknowledge that:

- (i) The information furnished is true and correct.
- (ii) The Equity ownership claimed is 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 paragraph 8, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct.
- (iv) If the claims are found to be incorrect, the purchaser may, in addition to any other remedy it may have -
 - (a) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (b) 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;
 - (c) impose a financial penalty more severe than the theoretical financial preference associated with the claim which was made in the bid; and

WITNESSES:

1.

.....
SIGNATURE(S) OF BIDDER(S)

2.

DATE:.....

ADDRESS:.....

.....

.....

.....

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

(All claims shall be considered as valid until such time that revised claim is submitted to TEDA)

- 1 This Municipal Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be rejected if that bidder, or any of its directors have:
 - a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
 - b. been convicted for fraud or corruption during the past five years;
 - c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

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

4.3.1	If so, furnish particulars:		
Item	Question	Yes	No
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

CERTIFICATION

**I, THE UNDERSIGNED (FULL NAME)
CERTIFY THAT THE INFORMATION FURNISHED ON THIS
DECLARATION FORM TRUE AND CORRECT.**

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

CERTIFICATE OF INDEPENDENT BID DETERMINATION

(All claims shall be considered as valid until such time that revised claim is submitted to TEDA)

- 1 This Municipal Bidding Document (MBD) must form part of all bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - a. take all reasonable steps to prevent such abuse;
 - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
 - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- 4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

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

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of: _____ that:

(Name of Bidder)

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

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

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

THE NATIONAL TREASURY

Republic of South Africa



GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT

July 2010

GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

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

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

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

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General Conditions of Contract

1. Definitions

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

RSA.

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

obligations of the supplier covered under the contract.

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

2. Application

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

3. General

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

4. Standards

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

5. Use of contract documents and information; inspection.

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

6. Patent rights

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

7. Performance security

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

8. Inspections, tests and analyses

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

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

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

9. Packing

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

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

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

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

14. Spare parts

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

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

15. Warranty

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

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

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

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

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

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

- | | |
|---|---|
| 16. Payment | <p>16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.</p> <p>16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.</p> <p>16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.</p> <p>16.4 Payment will be made in Rand unless otherwise stipulated in SCC.</p> |
| 17. Prices | <p>17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.</p> |
| 18. Contract amendments | <p>18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.</p> |
| 19. Assignment | <p>19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.</p> |
| 20. Subcontracts | <p>20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.</p> |
| 21. Delays in the supplier's performance | <p>21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.</p> <p>21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.</p> <p>21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.</p> <p>21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the</p> |

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

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

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

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

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

may be due to him

25. Force Majeure

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

26. Termination for insolvency

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

27. Settlement of Disputes

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

28. Limitation of liability

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

	(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
29. Governing language	29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
30. Applicable law	30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
31. Notices	<p>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</p> <p>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.</p>
32. Taxes and duties	<p>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.</p> <p>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.</p> <p>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.</p>
33. National Industrial Participation (NIP) Programme	33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.
34 Prohibition of Restrictive practices	<p>34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).</p> <p>34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.</p>

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