



Province of the  
**EASTERN CAPE**  
HUMAN SETTLEMENTS

**OFFICE OF THE CHIEF FINANCIAL OFFICER**

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## **TERMS OF REFERENCE**

**SCMU11-23/24-027:ELLIOTDALE 400 HOUSING PROJECT:  
APPOINTMENT OF A TURNKEY CONTRACTOR FOR INCEPTION,  
PLANNING & DESIGN, CONSTRUCTION OF INTERNAL SERVICES,  
AND CONSTRUCTION OF 400 NEW UNITS AT ELLIOTDALE IN  
MBHASHE MUNICIPALITY UNDER AMATHOLE REGION.**

### **COMPILED FOR:**

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## **ANCRONYMS**

<b>BoQ</b>	Bill of Quantities
<b>CIDB</b>	Construction Industry Development Board
<b>CSD</b>	Central Supplier Database
<b>COC</b>	Certificate of Compliance
<b>DHS</b>	Department of Human Settlements
<b>DPSA</b>	Department of Public Service and Administration
<b>DTI</b>	Department of Trade and Industry
<b>ECDHS</b>	Eastern Cape Department of Human Settlements
<b>ECSA</b>	Engineering Council of South Africa
<b>EIA</b>	Environmental Impact Assessment
<b>EME</b>	Exempted Micro Enterprise
<b>EMP</b>	Environmental Management Plan
<b>EPWP</b>	Expanded Public Works Program
<b>FUR</b>	Final Unit Report
<b>GFSH</b>	Generic Specification
<b>GPS</b>	Global Positioning System
<b>HSS</b>	Housing Subsidy System
<b>ISBT</b>	Innovative Sustainable Building Technology
<b>JBCC</b>	Joint Building Contracts Committee
<b>NHBRC</b>	National Home Builders Registration Council
<b>QSE</b>	Qualifying Small Enterprise
<b>RDP</b>	Reconstruction and Development Program
<b>RoD</b>	Record of Decision
<b>RWG</b>	Rain Water Goods
<b>SABS</b>	South African Bureau of Standards
<b>SANS</b>	South African National Standards
<b>SARB</b>	South Africa Reserve Bank
<b>SBD</b>	Standard Bidding Document
<b>SLA</b>	Service Level Agreement
<b>VAT</b>	Value Added Tax

## 1. BACKGROUND

The Department is engaged in an effort to improve and accelerate delivery of RDP houses in the Province and to fast track the implementation of these projects. The Department is seeking services of a turnkey contractor with a high performing capacity to undertake 3 project phases:

- 1.1 Inception,
- 1.2 Planning & Design and
- 1.3 Implementation.

Detailed information on the phases of the project is put on the content of this document. The turnkey contractor will be appointed for construction of internal services and 400 new units at Elliotdale in Mbhashe Local Municipality under Amathole District Municipality.

## 2. PROJECT DESCRIPTION

*Table 1: Project Details*

NO.	WARD NO.	AREA	LOCAL MUNICIPALITY	DISTRICT MUNICIPALITY	NO. OF SUBSIDIES		
					ISBT TOILETS	RWG	UNITS
1.	13	ELLIOTDALE	MBHASHE	AMATHOLE	400	400	400

Table 2 : Project Information

NO.	DESCRIPTION	STATUS	COMMENT
1.	Status Quo Report	Outstanding	To be done by Turnkey Contractor
2.	Social Facilitation	Outstanding	To be done by Turnkey Contractor
3.	Number of approved beneficiaries	Outstanding	To be done by Turnkey Contractor
4.	Environmental Impact Assessment	Outstanding	To be done by Turnkey Contractor
5.	Geo-technical Investigation	Outstanding	To be done by Turnkey Contractor
6.	Internal Services Designs i.e. Roads; Stormwater Drainage and Water reticulation	Outstanding	To be done by Turnkey Contractor
7.	Foundation Designs	Outstanding	To be done by Turnkey Contractor
8.	House Plan Designs	Outstanding	To be done by Turnkey Contractor
9.	ISBT Toilet Designs	Outstanding	To be done by Turnkey Contractor
10.	Water Tank Stand Designs	Outstanding	To be done by Turnkey Contractor
11.	Prepare Environmental Management Plan (EMP)	Outstanding	To be done by Turnkey Contractor
12.	Occupational Health and Safety Plan	Outstanding	To be done by Turnkey Contractor
13.	Global Positioning System (GPS) Co-ordinates for each beneficiary	Outstanding	To be done by Turnkey Contractor
14.	NHBRC Project and Home Enrolment	Outstanding	To be done by Turnkey Contractor
15.	Project Management, Contract Monitoring and Construction Supervision	Outstanding	To be done by Turnkey Contractor
16.	Construction of internal services i.e. Roads; Stormwater Drainage and Water Reticulation	Outstanding	To be done by Turnkey Contractor
17.	Construction of houses with water tanks including stormwater control	Outstanding	To be done by Turnkey Contractor
18.	Construction of ISBT toilets	Outstanding	To be done by Turnkey Contractor
19.	Close out Report	Outstanding	To be done by Turnkey Contractor

### 3. SCOPE OF WORKS

The scope of work will cover Project Inception, Planning & Designs and Project Implementation. This project entails:

- Provision of internal services for roads and stormwater as per Local and District Municipality applicable standards.
- Provision of water services for 400 units as per Local and District Municipality water authority guidelines.

- Construction of 400 new houses with rainwater tanks and 400 ISBT toilets organized as follows:

*Table 3 : Housing Typologies*

TYPOLOGY	SIZE	NO. OF UNITS
1. Normal House	40 m <sup>2</sup>	395
2. Disabled	45 m <sup>2</sup>	05
3. Military Veterans	50m <sup>2</sup>	0

Please note that table 3 above will be effective once beneficiary administration has been completed. There will be one (1) turnkey contractor appointed for this project as detailed in Table1. The work is organized into three (3) distinct phases as follows:

### **3.1 PHASE ONE (1) – INCEPTION**

This phase involves the assessing of the available information and getting familiar with the scope of work and the project area, identifying risks and constraints and devise plans to mitigate these.

- 3.1.1** A detailed project implementation plan and cash flow for the entire project will have to be prepared.
- 3.1.2** A detailed quarterly cost analysis report (i.e., showing original costs, current costs, and variation orders (additions or omissions or savings) for labour, material and professional service provider costs and any other project costs) a process will run throughout the entire project quarterly.
- 3.1.3** Physical verification and beneficiary registration/administration against Housing Subsidy System (HSS).

The successful contractor will have to perform the following main tasks during this phase:

- 3.1.4** Review all data provided by the Department and the identified outstanding information to be included in the project implementation plan;

- 3.1.5** Review the project scope and visit the site to get familiar with all the details of the project and the possible geographical and logistical challenges. Any risks to the project have to be identified and mitigating measures devised; must consider the terrain and have to cost it, **no variation orders will be considered.**
- 3.1.6** Project planning and the provision of a detailed project implementation plan detailing all activities until project closeout (including identifying risks and mitigation measures);
- 3.1.7** Stakeholder engagement through on-going interaction with the Department, Local & District Municipality and public participation (through Social Facilitation);
- 3.1.8** Conduct social facilitation (a process will run throughout the entire project) which will include discussing and agreeing top structure typologies with the community; and
- 3.1.9** Project Cash Flow will have to be prepared and submitted with the Project Implementation Plan.

## **3.2 PHASE TWO (2) – PLANNING AND DESIGN**

This phase involves the continuation of social facilitation, beneficiary verification, beneficiary registration/administration, obtaining Environmental Impact Assessment (EIA) Record of Decision (RODs), Obtain Global Positioning System (GPS) Co-ordinates for each beneficiary stand), Geo-technical investigations (Phases 1 & 2), internal services designs, foundation designs, house plans, National Home Builders Registration Council (NHBC) Project & Home Enrolment and engineering designs.

The successful contractor will have to perform the following main tasks during this phase:

- 3.2.1** Conduct social facilitation;
- 3.2.2** Obtain Environmental Impact Assessment



- 3.2.3** Conduct Geotechnical Investigation Phase 1 & 2 (including Groundwater Protocol Investigation) and provide both soft and hard copy;
- 3.2.4** Provision of engineering professional services as per ECSA guidelines- designs and drawings for services, inline with the Local and District Municipality applicable standards:
- Internal gravel roads and stormwater
  - Water Reticulation
- 3.2.5** Prepare foundation designs for 40m<sup>2</sup>, 45m<sup>2</sup> and 50m<sup>2</sup> houses based on Geo-technical Conditions and ensure that they comply with NHBRC, Department's minimum requirements and norms & standard:
- 3.2.6** Prepare house plans for 40m<sup>2</sup>, 45m<sup>2</sup> & 50m<sup>2</sup> houses, ISBT toilet designs for 40m<sup>2</sup>, 45m<sup>2</sup> & 50m<sup>2</sup> houses and water tank stands, to suite rural needs and ensure that they comply with NHBRC, Department's minimum requirements and norms & standards including Local and District Municipality standards;
- 3.2.7** All designs must be provided in both hard and soft copy;
- 3.2.8** Obtain community, Departmental, NHBRC and Local/District Authority approval of the designs;
- 3.2.9** Prepare project and home enrolment documents for submission to Project Manager for NHBRC enrolment;
- 3.2.10** Preparation of monthly progress reports detailing progress, challenges and mitigating measures.
- 3.2.11** Any other activity not listed above, that may be required to render the project ready to commence construction.

### **3.3 PHASE THREE (3) – IMPLEMENTATION**

This phase entails the construction of internal services, partial services i.e. ISBT toilets and water tanks with stands and top structure, further social facilitation, Contract administration and inspection (including Principal Agent/Engineer duties), Construction Monitoring Level 3 (as per Government Gazette No. 38324, Vol. 594), Occupational Health & Safety and Environmental Management inclusive of the applicable monitoring agents and Close Out.

The turnkey contractor will be responsible for the following during this stage:

- 3.3.1** Continuation with the social facilitation process;
- 3.3.2** Construction of internal services i.e. gravel roads, stormwater and water reticulation as per Local and District Municipality minimum standards;
- 3.3.3** Construction of Innovative Sustainable Building Technology (ISBT) toilets and water tanks on stands;
- 3.3.4** Construction of forty square meter (40m<sup>2</sup>), forty-five square meter (45m<sup>2</sup>) with specification for persons living with disability and fifty square 50m<sup>2</sup> top structure, with a specification for Military Veterans. All typologies will include electrical installation to all living area including one DB Board and Solar System (500W)
- 3.3.5** Construction of stormwater control around houses.
- 3.3.6** Monthly progress reports and EPWP reports;
- 3.3.7** Conduct fortnightly technical site meetings;
- 3.3.8** Provision of engineering professional services as per ECSA guidelines- supervision and monitoring for services inline with the Local and District Municipality applicable standards.

- 3.3.9** Contracts administration, inspection and certification (including Engineer duties), Construction Monitoring Level 3 (as per Government Gazette No. 38324, Vol. 594), Occupational Health & Safety, Environmental Management duties;
- 3.3.10** Further engagement with NHBRC to obtain Final Unit Reports (FURs) for all completed units;
- 3.3.11** Obtaining completion certificates ("Happy Letters") for all completed units;
- 3.3.12** Handover of houses with services and
- 3.3.13** Provide necessary reports on project completion for project close-out and commissioning.

## **4. MINIMUM SPECIFICATIONS**

### **4.1 GENERAL**

- 4.1.1** All works to be carried out in compliance with the Department of Housing Generic Specifications (GFSH 1 to 11) and the Technical Guidelines as contained in the Housing Code and NHBRC Home Builders Manual;
- 4.1.2** All Department of Labour and Expanded Public Works Program (EPWP) requirements should be met;
- 4.1.3** All works to be done in compliance with the current Health & Safety Regulations;
- 4.1.4** All works must also be done in compliance with all Environmental Regulations;
- 4.1.5** All relevant Local Authority requirements to be adhered to and relevant permission obtained; and

**4.1.6** All works must be done in compliance with the Department of Local Government Covid-19 Regulations as well as the NHBRC Guidelines for the Management of Projects Under Construction, During & Post Covid-19.

## **4.2 INFRASTRUCTURE**

In addition to the above, the minimum requirements for infrastructure will be in accordance with the following:

**4.2.1** Construction of 4km internal roads and the construction includes mass earthworks, pavement layers compacted to the required mod aashto density and stormwater drainage system.

**4.2.2** Internal roads also include concrete channeling, stormwater conduits and catchpits.

**4.2.3** The project also entails the construction of water reticulation as per Local and District Municipality (Water Authority) applicable standards.

**4.2.4** Guidelines for Human Settlements Planning and Design Vol. 1 & 2 ("Redbook");

**4.2.5** Department of Housing Generic Specification, GFSH 08;

### **4.2.6 ISBT TOILETS:**

**4.2.6.1** Pour Flush toilet pedestal must be Agrément Certified moulded for a robust, durable, smoother, and more hygienic product; designed to ensure a minimum flush volume of water required to be equal to or less than 3 liters.

**4.2.6.2** The design must incorporate a water seal within the pedestal and the outlet/p-trap must hold less than 800ml of water within the water seal.

**4.2.6.3** The design must allow for a flushing option attached to a cistern as well as be able to operate with just a 'pour' of water.

- 4.2.6.4** The pedestal must also allow for an incorporated child-seat as part of the seating arrangement:
- 4.2.6.5** Leach Pit to have a minimum volume of 1.5 m<sup>3</sup> and to be lined according to required standard of product where applicable.
- 4.2.6.6** User manual and maintenance procedures must be provided to all beneficiaries.
- 4.2.6.7** For the external structures, top structure must be anchored to the floor area with a minimum of 1m<sup>2</sup>; and a minimum internal height of 1.8m for 40m<sup>2</sup> house and floor area must be a minimum of 4.8m<sup>2</sup>; and a minimum internal height of 1.8m with grabrails and concrete ramp for 45m<sup>2</sup> house.
- 4.2.6.8** Walls must be prefabricated concrete that can be disassembled and reassembled with ease (panel sizes must allow assembly without mechanical assistance).
- 4.2.6.9** Roof must be concrete slab whilst floors are to be concrete.
- 4.2.6.10** The door must be constructed of virgin material which is not coated and non-corrosive in its entirety, and must include a pre-fitted, durable, non-corrosive dual operation latch.
- 4.2.6.11** The lightweight door must be of sound quality with no sharp edges and must be able to withstand slamming in the wind without deformation.
- 4.2.6.12** A door must be lightweight (not exceeding 9kgs) Agrément certified supplied with a guarantee that the functional lifespan is a minimum of 3 years.
- 4.2.6.13** The door design must allow for safe use, ease of cleaning, minimum maintainable parts, and sufficient penetration of natural light into the unit.

#### **4.2.7 WATER TANKS:**

- 4.2.7.1** Must be a minimum size of 5000 litres (SABS approved);
- 4.2.7.2** Tanks to be seated on a plinth of minimum height of 0.5m;
- 4.2.7.3** Tank stand must be designed to support the full tank as well as withstand all weather conditions; and
- 4.2.7.4** Gutters and downpipes provided to drain the entire roof into the tank and gutters must be fixed to the wall up to the water tank, and must be designed to withstand all weather conditions while the tank is empty or full;

#### **4.3 TOP STRUCTURE**

- 4.3.1** In addition to the specification already mentioned, the following are additional minimum requirements:
  - 4.3.1.1** 2011 revised National Building regulations; South African National Standards (SANS) 10400 XA Energy Usage in Buildings;
  - 4.3.1.2** SABS approved roof trusses to be used and Roof Covering to be cement roof tiles;
  - 4.3.1.3** Smaller size aluminium windows and special low E clear and curtain rails above windows for all window types as prescribed;
  - 4.3.1.4** Concrete aprons to be provided on all 4 sides with a minimum width of 1000mm including storm water management precautionary measures (as per NHBRC project enrolment requirement);
  - 4.3.1.5** Fascia's and barge boards to be provided;
  - 4.3.1.6** House to be plastered and painted both internally and externally;

- 4.3.1.7** Installation of a ceiling with the prescribed air gap for the entire dwelling.
- 4.3.1.8** Installation of above ceiling insulation comprising a 130mm mineral fibre glass blanket for the entire house;
- 4.3.1.9** Ceramic floor tile finishing and
- 4.3.1.10** Installation of a pre-paid meter with distribution board including plugs & lights to all living areas of the house and ensure installation of electrical earthing system.
- 4.3.1.11** Installation of home solar system (500 W)
- 4.3.1.12** Over and above specification indicated hereto forty-five square meter (45m<sup>2</sup>) unit will have these additional items:
- i. Access to unit must have concrete ramp at an acceptable minimum slope ratio with hand and grab rail to access the unit as indicated on SANS 10400-S2011 Edition 3
  - ii. Access to house must have 12m<sup>2</sup> paving
  - iii. All doors to be special made to allow wheelchair space to enter and must have kicker plate
  - iv. All windows must be at a minimum of 600mm above floor level with curtain rail above
  - v. Installation of burglar bars
  - vi. Ceramic floor tile finishing

**4.3.1.13** Over and above specification indicated hereto fifty square meter (50m<sup>2</sup>) unit will have these additional items:

- i. Ceramic floor tile finishing
- ii. Built-in cupboards
- iii. 2 plate hob
- iv. Carport

## **5. PROJECT DELIVERABLES**

The scope of works clearly describes the extent of what is expected from the contractor. The project deliverables can however be summarized as follows:

**5.1** Completing all inception, planning & design activities as described in the scope of works, to render the project ready for construction; and

**5.2** Completing the actual construction of internal services, partial services and top structures as described in the scope of works, including providing FURs and “Happy Letters”.

## **6. PROPOSAL FORMAT**

All respondents must submit (one) 1 sealed envelope of their proposals to fulfill the project deliverables described above:

**6.1 ENVELOPE** is to contain a copy of document as a **Technical and Financial Proposal**.



## 6.2 FINANCIAL SCHEDULE OF RATES

The Average Construction Rate is firm and fixed for duration of contract as per table 4 below, including total fees and expenses (**VAT zero rated**) to complete the project.

*Table 4: Average Construction Rate for services and top structures*

NO.	SERVICES	SIZE	NO. OF UNITS	AVERAGE PRICE
1.	INTERNAL SERVICES (ROADS AND WATER)	4KM	413	R40 000,00
NO.	HOUSE TYPOLOGIES	SIZE	NO. OF UNITS	AVERAGE PRICE PER UNIT
1.	NORMAL HOUSE	40M <sup>2</sup>	395	R190 000,00
2.	HOUSE FOR DISABLED	45M <sup>2</sup>	05	R270 000,00
3.	HOUSE FOR MILITARY VETERAN	50M <sup>2</sup>	0	R320 000,00

**NB: Average construction rate as per above include all extra ordinary site conditions**

**6.2.1** The Financial Proposal provided shall specify and state a **firm and fixed** price, including total fees and expenses (**VAT zero rated**), in order to complete the project.

**6.2.2** Bidders must ensure that they fill in the following document as part of Financial Proposal:

Table 5 : Bill of quantities for construction of services, 40m<sup>2</sup>, 45m<sup>2</sup> and 50m<sup>2</sup> houses

NO.	ITEM	UNIT	QTY	RATE	AMOUNT
<b>1</b>	<b>INCEPTION (40 m<sup>2</sup>, 45 m<sup>2</sup> and 50m<sup>2</sup> House)</b>				
1.1	Status Quo Report	NO.	1		
1.2	Physical verification of beneficiaries	NO.	400		
1.3	Beneficiary Administration	NO.	400		
1.4	Social facilitation	NO.	400		
<b>SUB TOTAL</b>				<b>R</b>	<b>R</b>
<b>2</b>	<b>PLANNING AND DESIGN (40 m<sup>2</sup>, 45 m<sup>2</sup> and 50m<sup>2</sup> House)</b>				
2.1	Environmental Impact Assessment	NO.	1		
2.2	Geotechnical Investigation Phase 1 & 2	NO.	400		
2.3	GPS co-ordinates	NO.	400		
2.4	Provision of internal services designs (Roads and stormwater)	NO.	1		
2.5	Provision of internal services designs (Water)	NO.	1		
2.6	Foundation Designs (40m <sup>2</sup> )	NO.	395		
2.7	Foundation Designs (45m <sup>2</sup> )	NO.	05		
2.8	Foundation Designs (50m <sup>2</sup> )	NO.			<b>Rate Only</b>
2.9	House Plan Design (40m <sup>2</sup> )	NO.	395		
2.10	House Plan Design (45m <sup>2</sup> )	NO.	05		
2.11	House Plan Designs (50m <sup>2</sup> )	NO.			<b>Rate Only</b>
2.10	Water tank and Stand Design	NO.	400		
2.11	ISBT Toilet Design (40m <sup>2</sup> )	NO.	395		
2.12	ISBT Toilet Design (45m <sup>2</sup> )	NO.	05		

2.13	Environmental Management Plan	NO.	1		
2.14	Occupational Health and Safety Plan	NO.	1		
2.13	Project and Home NHBRC enrollment	NO.	1		
<b>SUB TOTAL</b>				<b>R</b>	<b>R</b>
<b>3</b>	<b>IMPLEMENTATION (INTERNAL SERVICES )</b>				
3.1	Construction of internal gravel roads and stormwater	m	4000		
3.2	Construction of water supply pipeline	m	4000		
<b>SUBTOTAL</b>				<b>R</b>	<b>R</b>
<b>4</b>	<b>IMPLEMENTATION (40 m<sup>2</sup> House)</b>				
4.1	Foundation/ Slab – Normal - R,S,C,H	NO.			<b>Rate only</b>
4.2	Foundation/ Slab- Modified – H2	NO.			<b>Rate only</b>
4.3	Foundation/ slab – Stiffened Raft– H3	NO.	395		
4.4	Wall plate	NO.	395		
4.5	Roof	NO.	395		
4.6	Finishes	NO.	395		
4.7	Electrical Installation	NO.	395		
4.8	Solar System Installation (500W)	NO	395		
4.9	Water tank with stand	NO.	395		
4.10	Stormwater Control	NO.	395		<b>Rate only</b>
4.11	Completion	NO.	395		
4.12	ISBT toilet	NO.	395		

4.13	Obtaining of FUR's from NHBRC, Happy letters and completion certificates	NO.	400		
4.14	Monthly progress & EPWP reports	NO.	400		
4.15	Contract administration and inspection	NO.	400		
4.16	Construction Monitoring Level 3 (Full Time)	NO.	400		
4.17	Occupational Health & Safety	NO.	400		
4.18	Environmental Management	NO.	400		
4.19	Close out Report	NO.	01		
<b>SUBTOTAL</b>				<b>R</b>	<b>R</b>
<b>5</b>	<b>IMPLEMENTATION (45 m<sup>2</sup> House for Disabled)</b>				
5.1	Foundation/ Slab – Normal – R,S,C,H	NO.			<b>Rate only</b>
5.2	Foundation/ Slab-Modified – H2	NO.			<b>Rate only</b>
5.3	Foundation/ slab – Stiffened – H3	NO.	05		
5.4	Wall plate	NO.	05		
5.5	Roof	NO.	05		
5.6	Finishes	NO.	05		
5.7	Installation of burglar bars	NO.	05		
5.8	Electrical Installation	NO.	05		
5.9	Solar System Installation	NO.	05		
5.10	Water tank with stand	NO.	05		
5.11	Stormwater control	NO.	05		<b>Rate only</b>
5.12	Completion	NO.	05		
5.13	ISBT toilet	NO.	05		
<b>SUBTOTAL</b>				<b>R</b>	<b>R</b>

<b>6</b>	<b>IMPLEMENTATION (50m<sup>2</sup> House for Military Veteran)</b>			
5.1	Foundation/ Slab – Normal – R,S,C,H	NO.		<b>Rate only</b>
5.2	Foundation/ Slab- Modified – H2	NO.		<b>Rate only</b>
5.3	Foundation/ slab – Stiffened – H3	NO.		<b>Rate only</b>
5.4	Wall plate	NO.		<b>Rate only</b>
5.5	Roof	NO.		<b>Rate only</b>
5.6	Finishes	NO.		<b>Rate only</b>
5.7	Electrical Installation incl. solar system (500W)	NO.		<b>Rate only</b>
5.8	Water tank and tank stand	NO.		<b>Rate only</b>
5.9	Completion	NO.		<b>Rate only</b>
5.10	Carport	NO.		<b>Rate only</b>
5.9	ISBT toilet	NO.		<b>Rate only</b>
<b>SUBTOTAL</b>			<b>R</b>	<b>Rate only</b>
<b>TOTAL = SUM OF SUB TOTALS 1+2+3+4+5</b>			<b>R</b>	<b>R</b>

**NB:** “Where no Geo-technical investigation report or foundation designs are currently available, a site classification of H3 must be used for preliminary foundation design/ pricing purposes.” The Bill of Quantities are Provisional

## 7. PRICE GUIDELINES AND PAYMENT MILESTONES

Payment will only be made upon the completion of milestones (payment milestones) and price guidelines as follows:

*Table 6 : Payment Milestones*

ITEM	DESCRIPTION	UNIT	% OF TOTAL COST OF UNIT PAYABLE	QUANTITY
1.	Inception	1	3%	400
2	Planning and design	1	3%	400
3	Internal services	m	24%	4000
	Foundation	1	17%	400
	Wall Plate	1	10%	400
	Roof	1	10%	400
	ISBT	1	3%	400
	Finishes	1	25%	400
	Completion	1	5%	400

**NB:** A sectional completion plan must be provided as a proposal by the contractor, agreed upon and approved by the Department. A written approval of the sectional completion plan must form part of the contract.

## 8. EVALUATION CRITERIA

ECDHS has set minimum standards (Stages) that a bidder needs to meet in order to be evaluated and selected as a successful bidder. The minimum standards consist of the following:

*Table 7: Evaluation stages*

(STAGE 0): Administrative compliance	(STAGE 1): Functionality Criteria	(STAGE 2): Price and B-BBEE Evaluation	(STAGE 3): Risk Assessment
Bidders must submit all documents as outlined in Table 7	Bidders must meet all the criteria stipulated under functionality criteria to proceed to Stage 2 (Price and specific goals evaluation).	Bidders will be evaluated in terms of section 5 of the PPPFA 2000, Preferential Procurement Regulations, 2022.	Bidders will be evaluated in terms risk. Bidders that fail to meet the risk criteria will be considered to containing a potential high risk level and will not be considered for appointment

## 8.1 STAGE 0 – ADMINISTRATIVE COMPLIANCE

**8.1.1** Without limiting the generality of ECDHS's other critical requirements for this Bid, bidders must submit the documents listed in Table 7 below. All documents must be completed and signed by the duly authorised representative of the prospective bidder. During this phase, bidders' response will be evaluated based on compliance with the listed administration and mandatory bid requirements. In case of a Joint Venture/Consortium all parties are expected to submit individual documentation:

*Table 8: Administrative compliance*

No	Document that must be submitted	Explanatory Information
1	SBD1: Invitation to tender	Complete and sign the supplied proforma document
2	SBD2: Tax clearance certificate	Complete and sign the supplied proforma document
3	SBD4: Declaration of interest	Complete and sign the supplied proforma document
4	SBD6.1: Preference points claim form;	Complete and sign the supplied proforma document
5	SBD6.2: Declaration certificate for local production and content for designated	Complete and sign the supplied proforma documents. Evaluation of local production



	sectors and Annexure A	and content
6	Bill of quantities and summary & form of offer	Submit full details of the pricing proposal as per Bill of quantities. Blank spaces will be regarded as incomplete. Should the bidder not charge for the service, the bidder must indicate that with a zero (0). Bidders must complete the entire Pricing Schedule
7	National home builders registration council (NHBRC) certificate	Bidders must submit a valid International NHBRC certificate (certified copy) at closing date. The Department will verify the NHBRC certificate prior/during evaluation. Non compliance will lead to elimination.
8	Central Supplier Database (CSD) registration	Service Providers must be registered as a service provider on the Central Supplier Database (CSD). If you are not registered, prior to submitting your proposal. Visit <a href="https://secure.csd.gov.za/">https://secure.csd.gov.za/</a> to obtain your vendor number. Submit CSD printout as proof of registration.
9	Construction Industry Development Board (CIDB) Registration	Service Provider must be registered with the Construction Industry Development Board in an appropriate contractor grading designation (CE)
10	Annexure A: Performance report	Completed performance reports must be submitted together with the bid proposal, failure to submit will result in non-allocation of points
11	Annexure B: Intent to form Joint venture consortium agreement	The joint venture and/or consortium agreements must clearly set out the shareholding and roles and responsibilities of the Lead Partner and the joint venture and/or consortium party. The agreement must also clearly identify the Lead Partner, who shall be given the power of attorney to bind the other



		party/parties in respect of matters pertaining to the joint venture and/or consortium arrangement. A signed agreement will be expected to be submitted prior award of contract.
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## **8.1.2** Evaluation for local production and content for designated sectors.

- 8.1.2.1** On local content designated items, only locally produced goods or services with a stipulated minimum threshold for local production and content of 100% will be considered. ‘
- 8.1.2.2** The relevant designated sector: Steel Components and Plastic pipes and fittings. The minimum threshold for local production and content: 100%: - Reinforcing Bars (100%) Door and Window Frames (100%) Roof Trusses (100%) Joining Connection Components (100%) and Plastic pipes and fittings (100%);
- 8.1.2.3** Exchange rate to be used for the calculation of local content (local content and local production are used interchangeably) must be the exchange rate published by the SARB at 12:00 on the date, one week (7 calendar days) prior to the closing date of the bid.
- 8.1.2.4** Failure to indicate minimum percentage (%) or not meeting minimum percentage for local content will automatically invalidate the bid for further consideration.
- 8.1.2.5** If the raw material or input to be used for a specific item is not available locally, bidders should obtain written authorization from the DTI should there be a need to import such raw material or input and a copy of this authorization letter must be submitted together with the bid document at the closing date and time.
- 8.1.2.6** The main contractor may not sub contract work to an extent that the local content and production is compromised. The conditions and rules applying to the main bidder on local production and content also apply to the sub-contractor(s).

**8.1.2.7** For further information, bidders may contact the Steel products and components unit within DTI at 012 394 5157

**8.1.2.8** Bidders must complete SBD 6.2 with Annexure C and it must be submitted with the bid at the closing date and time Bids which have not scored the required minimum percentage of 100% for Local Production and content will be disqualified unless the bidder obtains exemption from DTI at this stage. Only qualifying bids will proceed to the evaluation on Functionality.

## **8.2 STAGE 1: FUNCTIONALITY EVALUATION**

**8.2.1** In this stage the capabilities of the contractor as well as the professional team will be assessed. Functionality will be scored out of **one hundred and fifty (150) points** where **one hundred (100) points** will be used for scoring the **contractor portion** and **fifty (50) points** will be for scoring the **professional team portion**.

**8.2.2** Bidders should obtain at least **seventy (70) points** out of the **one hundred (100) points** for the **contractor portion** and at least **thirty (30) points** out of **fifty (50) points** for the **professional team portion** on functionality evaluation to qualify for the Price and specific goals evaluation.

Only bids which have achieved the required minimum points for functionality will proceed to Stage 2 of evaluation. **NB:** Points scored in Stage 1 will not be taken into consideration for the evaluation in Stage 2.

## **8.3 CRITERIA FOR THE CONTRACTOR PORTION**

*Table 9: Functionality criteria for construction portion*

NO	CRITERION	POINTS
<b>1.</b>	<b>PREVIOUS EXPERIENCE IN SIMILAR PROJECTS (<i>Bidders must meet a minimum of 25 points to be considered for recommendation</i>)</b>	<b>35</b>
1.1	Completed a project with a project scope of 75% in or more	35
1.2	Completed a project with a project scope of 60 to 74%	25
1.3	Completed a project with a project scope of 51 to 59%	15
1.4	Completed a project with a project scope of 1 to 50%	5
1.5	No completed project	0

<b>2.</b>	<b>EXPERIENCE OF NOMINATED SITE AGENT IN SIMILAR PROJECTS (<i>Bidders must meet a minimum of 08 points to be considered for recommendation</i>)</b>	<b>10</b>
2.1	Site experience of 10 years or more	10
2.2	Site experience from 7 to 9 years	8
2.3	Site experience from 4 to 6 years	5
2.4	Site experience of less than 4 years	1
2.5	No site experience	0
<b>3.</b>	<b>EQUIPMENT RELEVANT FOR THE ASSIGNMENT (<i>Bidders must meet a minimum of 12 points to be considered for recommendation</i>)</b>	<b>20</b>
3.1	Access to all five (05) the following: 1. TLB backhoe loader; 2. Tipper Truck or Drop-side Truck; 3. Compactor/Roller; 4. Bakkie; and 5. Batch Plant or Concrete Mixer	20
3.2	Access to four (04) from the following: 1. TLB backhoe loader; 2. Tipper Truck or Drop-side Truck; 3. Compactor/Roller; 4. Bakkie; and 5. Batch Plant or Concrete Mixer	16
3.3	Access to three (03) from the following: 1. TLB backhoe loader; 2. Tipper Truck or Drop-side Truck; 3. Compactor/Roller; 4. Bakkie; and 5. Batch Plant or Concrete Mixer	12
3.4	Access to two (02) from the following: 1. TLB backhoe loader; 2. Tipper Truck or Drop-side Truck; 3. Compactor/Roller; 4. Bakkie; and 5. Batch Plant or Concrete Mixer	8
3.5	Access to one (01) from following: 1. TLB backhoe loader; 2. Tipper Truck or Drop-side Truck; 3. Compactor/Roller; 4. Bakkie; and 5. Batch Plant or Concrete Mixer	4
3.6	No access to any of the following: 1. TLB backhoe loader; 2. Tipper Truck or Drop-side Truck; 3. Compactor/Roller; 4. Bakkie; and 5. Batch Plant or Concrete Mixer	0
<b>4.</b>	<b>FINANCIAL CAPACITY (<i>Bidders must meet a minimum of 25 points to be considered for recommendation</i>)</b>	<b>35</b>
4.1	Access to a financial facility of at least 10% of the Offered Amount	35
4.2	Access to a financial facility of 7 to 9% of the Offered Amount	25
4.3	Access to a financial facility of 5 to 6% of the Offered Amount	15
4.4	Access to a financial facility less than 5% of the Offered Amount	5
4.5	No access to a financial facility	0
<b>TOTAL POINTS</b>		<b>100</b>

### 8.3.1 DESCRIPTION OF CONTRACTOR CRITERIA

**8.3.1.1 PREVIOUS EXPERIENCE IN SIMILAR PROJECTS:** This refers to previously completed projects of similar works or value, within the **past five (5) years) starting from 2018. Points will be allocated on**

**submission** of either a certified copy of a completion certificate or a copy of a testimonial from the client with contactable references including duration and values of the project. Only projects conducted within **the past five (05) years will be considered**.

**8.3.1.2 EXPERIENCE OF NOMINATED SITE AGENT IN SIMILAR**

**PROJECTS:** This shall be the construction site experience of a nominated person that would be placed permanently on site and in charge of the construction works for the duration of the project. **Points will be allocated on submission** of a curriculum vitae of the nominated site agent showing the required experience.

**8.3.1.3 EQUIPMENT RELEVANT FOR THE ASSIGNMENT:** This refers to the minimum machinery and plant required for the project as indicated, wherein each item will be allocated 4 out of 20 allocated points. **Points will be allocated on submission** of lease agreement or certified copies of registration papers either in the Company name or in the name of one of the Directors/Shareholders of the company.

**8.3.1.4 FINANCIAL CAPACITY:** This shall mean access to financial facility to be used as a working capital, until such time that the first milestone can be created to warrant a claim from the Department. This can either be in cash in the bank account of the company or pre-approved credit facility by a Registered Financial Institution or material supplier. **Points will be allocated on submission** of an original letter from the Bank or Financial Institution confirming Bank balance or approved credit facility confirming amount must be attached, letters/statements must be valid within a three (03) months duration from the date of advert.

**NB:** Verification will be conducted on submitted documents. Where information provided are found to be fraudulent or there's misrepresentation of information, the Department will eliminate the bidder from further evaluation.

## 8.4 CRITERIA FOR THE PROFESSIONAL TEAM PORTION

These are names of professionals nominated by the bidder who's CVs will be considered for evaluation. If no nomination is made no points will be allocated for evaluation.

Table10: List of professionals to be considered for evaluation.

NO.	POSITION OF NOMINATED TEAM LEADER	NAME OF NOMINATED TEAM LEADER	HIGHEST LEVEL OF NOMINATED TEAM LEADER
3.1	*Construction Project Manager		
3.2	*Civil and or Structural Engineer		
3.3	*Quantity Surveyor		
3.4	*Architect		
3.5	*Housing Administrator/*Social Scientist		

### 8.4.1 RELEVANT EXPERIENCE OF TEAM LEADERS

Table 11: Functionality criteria for Professional team

NO.	TEAM LEADER EXPERIENCE	MAX. POINTS	SCORE FOR YEARS OF EXPERIENCE PER TEAM LEADER			
			20 years +	10 – 19 years	5 – 9 years	None
2.1	*Construction Project Manager	5	5	3	1	0
2.2	*Civil and or Structural Engineer	5	5	3	1	0
2.3	*Quantity Surveyor	5	5	3	1	0
2.4	*Architect	3	3	1	0.5	0
2.5	*Housing Administrator/*Social Scientist	2	2	1	0.5	0
2.6	*None of the above	0	0	0	0	0
TOTAL			20			



NO.	TEAM LEADER REGISTRATION	MAX. POINTS	SCORE FOR PROFESSIONAL REGISTRATION PER TEAM LEADER	
			PROFESSIONAL	TECHNICIAN/ CANDIDATE
3.1	*Construction Project Manager	8	8	4
3.2	*Civil and or Structural Engineer	8	8	4
3.3	*Quantity Surveyor	8	8	4
3.4	*Architect	6	6	2
3.5	*None of the above	0	0	0
<b>TOTAL</b>		<b>30</b>		

#### 8.4.2 DESCRIPTION OF PROFESSIONAL TEAM CRITERIA

**8.4.2.1 RELEVANT EXPERIENCE OF TEAM LEADERS:** This shall be the experience of a team leaders. Copy of curriculum vitae must be attached.

**8.4.2.2 PROFESSIONAL REGISTRATION OF TEAM LEADERS WITH AUTHORISED COUNCIL OF S.A.:** This shall be professional registration certificate of team leaders within the identified building disciplines. Copy of professional registration certificate must be attached.

**NB:** Verification will be conducted on submitted documents. Where information provided are found to be fraudulent or there's misrepresentation of information, the Department will eliminate the bidder from further evaluation.

Bids which have not scored the required minimum points on functionality will be disqualified at this stage and only qualifying bids will proceed to the evaluation on Price and specific goals evaluation status level of contribution. Shortlisted bidders may be required to make presentations to the Department.

## 8.5 STAGE 2: PRICE AND PRICE AND SPECIFIC GOALS EVALUATION EVALUATION

**8.5.1** Regulation 3 of the Preferential Procurement Policy Framework Act 2000: Preferential Procurement Regulations 2022, (the Regulations) stipulates that an organ of state must, prior to making an invitation for tenders, determine and stipulate the appropriate preference point system to be utilized in the evaluation and adjudication of tenders. If there is uncertainty on the preference point system to be applied, institutions must advertise the tender indicating that the tender will be evaluated on either the 80/20 or 90/10 preference point system.

**8.5.2** If it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system.

**8.5.3** Regulation 5 and 6 stipulates that the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

### 8.6 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

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

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

Where

$P_s$  = Points scored for price of bid under consideration

$P_t$  = Price of bid under consideration

$P_{\min}$  = Price of lowest acceptable bid

### 8.6.1 POINTS AWARDED FOR SPECIFIC GOALS

In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table below as may be supported by proof/ documentation stated in the conditions of this tender:

*Table 12: Specific goals allocated points*

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system)	Number of points allocated (90/10 system)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Women owned Organizations	8	3	
Youth	4	2	
People with Disability	2	2	
Locality: Eastern Cape	5	2	
Military Veterans	1	1	

### 8.6.2 CLAIMING OF PREFERENCE POINTS

**8.6.2.1** Preference points allocated for women may be claimed if there is sufficient evidence that such woman has ownership of 51% or more of the enterprise shareholding. Bidders must submit proof in a form of valid Central Supplier Database (CSD) supplier profile that outlines the ownership of the organisation.

**8.6.2.2** Preference points allocated for persons with disabilities may only be claimed if there is sufficient evidence that such person has ownership of 51% or more of the enterprise shareholding. Bidders must submit proof in form of a medical certificate / letter not older than 6 months from a registered medical practitioner (Practitioner number, contact details to be stated on correspondence) detailing the disability. The Medical certificate will only be used for evaluation purposes.



**8.6.2.3** Preference points allocated for promotion of youth may only be claimed if there is sufficient evidence that such youth has ownership of 51% or more of the enterprise shareholding. Bidders must submit proof in a form of valid Central Supplier Database (CSD) supplier profile that outlines the ownership of the organisation.

**8.6.2.4** Preference points for Locality may be allocated for promotion of enterprises located within the Eastern Cape Province may be claimed by submission of proof that the enterprise is located within the borders of Eastern Cape Province. This includes an enterprise whose head office may be situated in another province but has a fully-fledged branch within Eastern Cape Province. Enterprises located outside the borders of the Eastern Cape Province and who only appoints agents and or commission warehouses in this municipal area are expressly excluded from claiming points for this goal. Bidders must submit proof of the Company's Registered Offices. Proof of rate statement, lease agreement or confirmation of locality from local authority.

**8.6.2.5** Preference points allocated for Military Veterans may only be claimed if there is sufficient evidence that such person has ownership of 51% or more of the enterprise shareholding. Bidders must submit proof in terms confirmation letters from the Department of Military Veterans.

**NB:** Bidders must provide sufficient proof and supporting documentation in respect of the above evaluation criteria and specific goals evaluation. Bidders who do not submit the required information shall not be scored for the respective/relevant evaluation criteria. In a case of a joint venture and/or consortium the agreements must clearly set out the shareholding and roles and responsibilities of the Lead Partner and the joint venture and/or consortium party. Failure to submit shareholding will result in non-allocation of points

## **9 OBJECTIVE CRITERIA**

**9.1.1** The Department reserves the right not to appoint the highest scoring bidder, in a case where the bidder has quoted below the minimum market related price of ***R40 000,00 per unit for internal services, R190 000.00 per unit for***

**40m<sup>2</sup>, R270 000.00 per unit for 45m<sup>2</sup> and R320 000,00 per unit for 50m<sup>2</sup>.**

The market related price includes all extra ordinary development site conditions i.e. double handling, difficult terrain, scatteredness of sites, creation of access roads and all geo technical site conditions.

## **9.2 Risk analysis:**

**9.2.1** The Department has the right to conduct a risk analysis on shortlisted bidders including verification through contractors site visit and conduction of loco inspection. The loco inspection will be conducted for verification of:

**9.2.1.1** Plant and equipment

**9.2.1.2** Completed projects (site visits)

**9.2.1.3** Personnel

**9.2.2** The risk assessment implies a systematic identification and judgement of potential risks levels to create a foundation decision making.

**9.2.3** The risk analysis will be conducted on the bidder's quality of work and performance on previous completed projects not older than five (05) years starting from 2018 to the date of advert of the bid. Bidders must submit all three (03) documents listed below on **Table 12** for each project to be assessed for risk. Failure to submit all documents will result in non-allocation of points:

*Table 13: Document that must be submitted for risk analysis*

No	Document that must be submitted	Explanatory Information
1	Appointment letters.	Bidders must submit appointment letters of previous or current project undertaken that will utilised for assessment of risk
2	Performance reports which must reflect 50% completion (Attached on bid document as Annexure A),	Bidders must submit performance reports on previous or current similar projects undertaken. Reports must be completed and signed by client with contactable references.
3	Practical completion certificates or final completion certificates	Bidders must submit Practical completion certificates or final completion certificates on

		similar previous or current project undertaken. Reports must be completed and signed by client with contactable references.
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**9.2.4** Performance reports are attached as Annexure A of the bid document and must be completed signed and stamp by the client.

**9.2.5** Completed performance reports must be submitted together with the bid proposal, failure to submit will result in non-allocation of points. Bidders that fail to submit performance reports will be considered as high risk as the Department will be unable to satisfy itself.

**9.2.6** Where information provided for loco inspections and performance reports are found to be fraudulent or there's misrepresentation of information, the Department will eliminate the bidder from further evaluation.

#### **9.2.7 Risk assessment scorecard**

**9.2.7.1** The risk assessment score card will focus on the following risk factors.

9.2.7.1.1 Performance on pervious projects.

9.2.7.1.2 Quality standard of completed projects this refers to assessment of quality, contract extension and variation orders.

**9.2.7.2** Risk will be assessed through scoring risk levels as below:

9.2.7.2.1 Poor = 04 points

9.2.7.2.2 Fair= 03 points

9.2.7.2.3 Good = 02 points

9.2.7.2.4 Excellent = 01 points

**9.2.7.3** The score of seven (07) points will be maximum risk level the Department is willing to accept.

**9.2.7.4** Bidders who score a total of eight (08) points and above will be considered to containing a potential significant to sever risk level and will not be considered for appointment.

Table 14: Risk assessment scorecard

RISK ASSESSMENT SCORECARD			
Risk level	Risk description	Performance on previous project	Quality
<b>4– Poor</b>	Risk that will have a severe impact on achieving desired results to the extent that one or more of its critical outcome objectives will not be achieved	Project not completed <b>181 days or more past</b> the stipulated time frames.	Project completed/not completed with outstanding compliance issues
<b>3 – Fair</b>	Risk that will have a significant impact on achieving desired results, to the extent that one or more stated outcome objectives will fall below acceptable levels.	Project completed within <b>91 to 180 days past</b> the stipulated time frames.	Project completed with partially resolved compliance issues
<b>2 - Good</b>	Risk that will have a Moderate impact on achieving desired results, to the extent that one or more stated outcomes objectives will fall below goals but above minimum acceptable levels	Project completed within <b>90 days past</b> the stipulated time frames.	Project completed with minor resolved compliance issues
<b>1 – Excellent</b>	Risk has little or no impact on achieving outcome objectives	Project completed within the stipulated time frames.	Project completed with no outstanding compliance issues

**9.2.8** Where the highest point scorer declines the appointment, the second highest point scorer will be considered, and if the second highest scorer declines the appointment the third highest point scorer will be considered and if the third highest points scorer declines the bid will be cancelled and re-advertised.

**9.2.9** The Department will not negotiate a price higher than that quoted by the bidder.

**9.2.10** The minimum market related amount of ***R40 000,00 per unit for internal services, R190 000.00 per unit for 40m<sup>2</sup>, R270 000.00 per unit for 45m<sup>2</sup> and R320 000,00 per unit for 50m<sup>2</sup>*** will be utilized as the minimum related price.

**9.2.11** If the price offered by a tenderer scoring the highest points is above the market related price,

**9.2.12** The Department may

**9.2.12.1** Negotiate a market-related price with the tenderer scoring the highest points;

**9.2.12.2** If the tenderer scoring the highest points does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the second highest points;

**9.2.12.3** If the tenderer scoring the second highest points does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the third highest points and if the third highest points scorer does not agree to a market related price the bid will be cancelled and re-advertised.

**9.2.12.4** In an event where the Department has advertised more than one (01) tender on a single notice, the highest scoring bidder will be awarded one tender of the tenders advertised. If a single bidder has scored the highest points on multiple tenders the Department will enter into negotiations with the bidder to give waver to award the second highest scoring bidder up to the third highest points scorer.

## **10 LEGALITIES OF CONTRACT AND TENDER RULES**

### **10.2 GENERAL CONDITIONS OF CONTRACT**

**10.2.1** The JBCC shall apply.

### **10.3 SPECIFIC CONDITIONS OF THE CONTRACT**

Special Conditions that apply to this contract are as follows:

**10.3.1** The contractor will have to sign a valid contract agreement with the DoHS immediately upon approval of the award.

**10.3.2** The contractor will be liable for any recollection of missing data, as a result of poor completion of questionnaire by the appointed entity;

**10.3.3** Copyright of the reports to be delivered by the bidder to the Department

will vest upon the Department on acceptance of the final reports.

**10.3.4** Department reserves the right to conduct risk analysis on whether to appoint a contractor or not.

**10.3.5** The contractor must have access to internet as basis of communication (email).

**10.3.6** The contractor will draft and submit its own detailed Bill of Quantities (BOQ).

**10.3.7** The contractor will furnish the Department with an invoice upon Completion of each milestone (along with other required supporting documentation).

**10.3.8** Contractor will be required to attend an initial meeting organized by the ECDHS to introduce the relevant project stakeholders.

**10.3.9** The contractor will be liable for any recollection of missing data because of poor completion of questionnaire by the appointed entity.

**10.3.10** Tariffs must not exceed the tariffs published by ECSA, DPSA or the Department of Public Works for specified Consultant's categories.

## **11 DURATION OF THE PROJECT**

The duration of the project (Inception, Planning & Design and Implementation) is expected to be a maximum period of thirty-six (36) months.

*Table 15: Duration of the project*

<b>Item no.</b>	<b>Description</b>	<b>Duration (months)</b>
1	Inception	2
2	Planning and Design	6
3	Implementation	28
<b>Total</b>		<b>36</b>

## **12 RETURNABLE SCHEDULES**

The Bidder must ensure that the following documents are completed and returned with the bid proposal:

- 12.2 SBD 1: INVITATION TO TENDER.
- 12.3 SBD 2: TAX CLEARANCE CERTIFICATE.
- 12.4 SBD 4: DECLARATION OF INTEREST.
- 12.5 SBD 5: NATIONAL INDUSTRIAL PARTICIPATION PROGRAMME.
- 12.6 SBD 6.1: PREFERENCE POINTS CLAIM FORM.
- 12.7 SBD 6.2: DECLARATION CERTIFICATE FOR LOCAL PRODUCTION  
AND CONTENT FOR DESIGNATED SECTORS
- 12.8 FINAL SUMMARY & FORM OF OFFER.
- 12.9 VALID NATIONAL HOME BUILDERS' REGISTRATION COUNCIL  
(NHBRC) CERTIFICATE

## **13 COLLECTION OF BID DOCUMENTS**

Bid documents will be available from the **18 AUGUST 2023** on the on Departmental website ([www.ecdhs.gov.za](http://www.ecdhs.gov.za)).

## **14 SUBMISSION OF BID PROPOSALS**

- 14.2** Bid proposals must be deposited in a Bid Box (that is accessible 24 hours) situated at the Ground Floor, Department of Human Settlements, Steve Tshwete Houses, 31–33 Phillip Frame Road, Waverley Park, Chiselhurst, East London.
- 14.3** It is the responsibility of the bidder and that of the courier in case of couriered bids to ensure that the bid is deposited in the bid box and not submitted to officials. The Department will not take any responsibility for bids not deposited in the bid box.



**14.4** The Department will not take any responsibility for the posted bids that are not in the bid box during the closing time and date it is therefore the responsibility of the bidder to ensure that the bid is delivered on the bid box on or before the closing date and time.

14.5 Bid proposals must be submitted in one (1) envelope clearly marked with bidder's name and as follows:

**SCMU11-23/24-027: ELLIOTDALE 400 HOUSING PROJECT: APPOINTMENT OF A TURNKEY CONTRACTOR FOR INCEPTION, PLANNING & DESIGN, CONSTRUCTION OF INTERNAL SERVICES, AND CONSTRUCTION OF 400 NEW UNITS IN ELLIOTDALE IN MBHASHE MUNICIPALITY UNDER AMATHOLE REGION.**

14.6 Faxed or emailed bid proposals will not be accepted. The Technical Proposal envelope may be opened in public on the closing day.

## **15 BID VALIDITY**

This bid will be valid for one hundred and twenty (120) days after the closing date.

## **16 COMPULSORY BRIEFING**

Compulsory briefing session for this Bid will be held on the **31 AUGUST 2023** at **11h00 converging at Mbhashe Municipality Offices; Elliotdale Unit, Elliotdale.** Thereafter proceed to site. Bidders that fail to attend the compulsory briefing session will be disqualified.

## **17 CLOSING DATE**

All bid proposals in response to this bid should reach the Department not later than the **18 SEPTEMBER 2023 at 11H00**. Bids received after **11H00** will not be accepted and considered.



## 18 CONTACT DETAILS ON TERMS OF REFERENCE

All **technical enquiries** regarding this bid may be directed to:

Mr. Mziyanda Mandila: Chief Construction Project Manager – Department of Human Settlements, Amathole Regional Office, **East London**

Cell: 079 493 6154

Email: [MziyandaM@ecdhs.gov.za](mailto:MziyandaM@ecdhs.gov.za)

All Supply Chain Management related enquiries regarding this bid may be directed to: **Mr. Xolile Mpupa: Deputy Director** – Demand Management; Department of Human Settlements, EAST LONDON

Cell: 074 142 4781

Tel: (043) 711 9641

E-mail: [xolilem@ecdhs.gov.za](mailto:xolilem@ecdhs.gov.za)

## 19 FINAL SUMMARY AND FORM OF OFFER

Table 16: Final Summary and Form of Offer

### FINAL SUMMARY & FORM OF OFFER

SCMU.....: ELLIOTDALE 400 HOUSING PROJECT: APPOINTMENT OF A TURNKEY CONTRACTOR FOR INCEPTION, PLANNING & DESIGN, CONSTRUCTION OF INTERNAL SERVICES AND CONSTRUCTION OF 400 NEW UNITS IN ELLIOTDALE IN MBHASHE MUNICIPALITY UNDER AMATHOLE REGION.

NO.	ITEM	TOTAL
1.	INCEPTION	
2.	PLANNING & DESIGN	
3.	IMPLEMENTATION OF INTERNAL SERVICES	
4.	IMPLEMENTATION OF 40M <sup>2</sup> HOUSE	
5.	IMPLEMENTATION OF 45M <sup>2</sup> HOUSE FOR DISABLED	
6.	IMPLEMENTATION OF 50M <sup>2</sup> HOUSE FOR MILITARY VETERANS	(RATE ONLY)
TOTAL = 1+2+3+4+5		

TOTAL ABOVE IN WORDS

SIGNED BY/ON BEHALF OF THE BIDDER

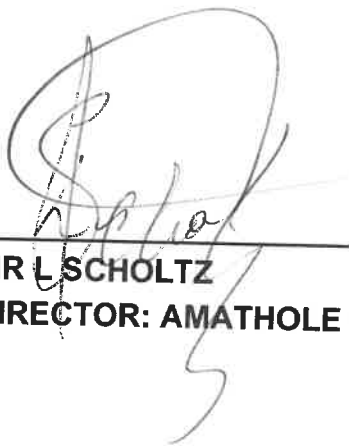
NAME

SIGNATURE

DATE

COMPANY STAMP

SCMU.11-23/24-027.....: ELLIOTDALE 400 HOUSING PROJECT:  
APPOINTMENT OF A TURNKEY CONTRACTOR FOR INCEPTION, PLANNING &  
DESIGN, CONSTRUCTION OF INTERNAL SERVICES, AND CONSTRUCTION OF  
400 NEW UNITS IN ELLIOTDALE IN MBHASHE MUNICIPALITY UNDER  
AMATHOLE REGION.



MR L SCHOLTZ  
DIRECTOR: AMATHOLE REGION

8/08/23  
DATE

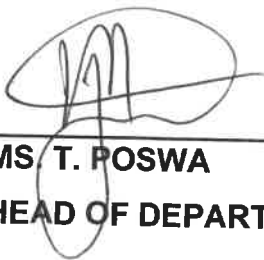
RECOMMENDED/~~NOT RECOMMENDED~~



CHAIRPERSON  
BID SPECIFICATION COMMITTEE

11 August 2023  
DATE

APPROVED/~~NOT APPROVED~~



MS. T. POSWA  
HEAD OF DEPARTMENT

15/08/2023  
DATE

## 20 ANNEXURE A

### PERFORMANCE REPORT

#### CONFIDENTIAL

This performance report should be completed and submitted with the bid proposal. Submission of this report is essential to assist the Department to make procurement decisions based on the most objective information. This may influence matters such as the offering of tendering opportunities; award of contracts; assessment.

#### Contract Details

Contract No:

Contract Title			
Original Contract Price			
Date of Contract		Original Date for Completion	

#### Contractor Details

Total extensions of time approved		Extended Contractual Completion Date	
Predicted Date for Completion		Actual Date of Completion	

#### Reference's Details

Name of Organisation				
Organisation's Representative	Name			
	Position			
	Tel		Mobile	
	Email			

#### Performance Report

Evaluation Criteria	N/A	Minor	Moderate	Major	Severe
Time Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Standard of Work/Quality of workmanship	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Personnel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subcontractor Mgmt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plans and Designs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Definition and Relative Weighting of Grading

Grading	Definition	Rating*
Minor	Risk has little or no impact on achieving outcome objectives	1
Moderate	Risk that will have moderate impact on achieving desired results, to the extent that one or more stated outcomes objectives will fall below goals but above minimum acceptable levels	2
Major	Risk that will have a significant impact on achieving desired outcomes, to the extent that one or more stated outcome objectives will fall below acceptable levels.	3
Severe	Risk that will have a severe impact on achieving desired outcomes, to the extent that one or more of the critical outcome objectives will not be achieved	4

### Overall Comments on Performance

*Reference's opinion*

I have attached further information ☐

SIGNED BY/ON BEHALF OF THE CLIENT

NAME

SIGNATURE

DATE

COMPANY STAMP

## INTENT TO FORM JOINT VENTURE/ CONSORTIUM

### PREAMBLE

This agreement is made and entered into by and between

.....  
.....  
.....

of the first part and

.....  
.....  
.....

of the second part.

Whereas the foregoing parties have resolved to form a Joint Venture under the title of

.....  
.....  
.....

for the exclusive purposes of securing and/or executing the Contract to be awarded by

Eastern Cape Department of Human Settlements  
for (brief description of Contract)

.....  
.....  
.....  
.....

### Shareholdings for each JV/Consortium Members

Members	Shareholding	Signature of representative

## PART A INVITATION TO BID

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF HUMAN SETTLEMENTS</b>					
BID NUMBER:	SCMU11-23/24-027	CLOSING DATE:	18 September 2023	CLOSING TIME:	11H00
DESCRIPTION	ELLOITDALE 400 HOUSING PROJECT: APPOINTMENT OF A TURNKEY CONTRACTOR FOR INCEPTION, PLANNING & DESIGN, CONSTRUCTION OF INTERNAL SERVICES, AND CONSTRUCTION OF 400 NEW UNITS AT ELLIOTDALE IN MBHASHE MUNICIPALITY UNDER AMATHOLE REGION.				
<b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</b>					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT					
<b>DEPARTMENT OF HUMAN SETTLEMENTS</b>					
31-33 PHILLIP FRAME ROAD, STEVE TSHWETE BUILDING, GROUND FLOOR					
WAVERLY PARK					
EAST LONDON					
<b>SUPPLIER INFORMATION</b>					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
		TCS PIN:		OR	CSD No:
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]		<input type="checkbox"/> Yes		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	
		<input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No	
IF YES, WHO WAS THE CERTIFICATE ISSUED BY?					
AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA) AND NAME THE APPLICABLE IN THE TICK BOX		<input type="checkbox"/>	AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)		
		<input type="checkbox"/>	A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS)		
		<input type="checkbox"/>	A REGISTERED AUDITOR		
		NAME:			
<b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT(FOR EMEs&amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b>					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No  [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No  [IF YES ANSWER PART B:3 BELOW ]	
SIGNATURE OF BIDDER		DATE			
CAPACITY UNDER WHICH THIS BID IS SIGNED (Attach proof of authority to sign this bid; e.g. resolution of directors, etc.)					
TOTAL NUMBER OF ITEMS OFFERED			TOTAL BID PRICE (ALL INCLUSIVE)		
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>			<b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>		
DEPARTMENT OF HUMAN SETTLEMENTS		CONTACT PERSON		Mr. Mziyanda Mandila	
CONTACT PERSON		TELEPHONE NUMBER		079 493 6154	
TELEPHONE NUMBER		FACSIMILE NUMBER		N/A	
FACSIMILE NUMBER		E-MAIL ADDRESS		MziyandaM@ecdhs.gov.za	



E-MAIL ADDRESS	xolilem@ecdhs.gov.za	
----------------	----------------------	--

## PART B

### TERMS AND CONDITIONS FOR BIDDING

<b>1. BID SUBMISSION:</b>	
1.1.	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2.	ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE
1.3.	BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.
1.4.	WHERE A BIDDER IS NOT REGISTERED ON THE CSD, MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS MAY NOT BE SUBMITTED WITH THE BID DOCUMENTATION. B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.
1.5.	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER LEGISLATION OR SPECIAL CONDITIONS OF CONTRACT.
<b>2. TAX COMPLIANCE REQUIREMENTS</b>	
2.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
2.4	BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.
2.5	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.
2.6	WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
<b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>	
3.1.	IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>
3.2.	DOES THE BIDDER HAVE A BRANCH IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>
3.3.	DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>
3.4.	DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>
<p>IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO OBTAIN A TAX COMPLIANCE STATUS / TAX COMPLIANCE SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.</p>	

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

## TAX CLEARANCE CERTIFICATE REQUIREMENTS

**It is a condition of bid that the taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.**

- 1 In order to meet this requirement bidders are required to complete in full the attached form TCC 001 "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.
- 2 SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
- 3 The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.
- 4 In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.
- 5 Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website [www.sars.gov.za](http://www.sars.gov.za).
- 6 Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website [www.sars.gov.za](http://www.sars.gov.za).



TAX CLEARANCE

TCC 001

**Application for a Tax Clearance Certificate****Purpose**Select the applicable option ..... Tenders ☐ Good standing ☐

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


**Particulars of applicant**Name/Legal name  
(Initials & Surname  
or registered name)Trading name  
(if applicable)

ID/Passport no

Company/Close Corp.  
registered no

Income Tax ref no

PAYE ref no 7

VAT registration no 4

SDL ref no L

Customs code

UIF ref no U

Telephone no

Fax  
no

E-mail address

Physical address

Postal address

**Particulars of representative (Public Officer/Trustee/Partner)**

Surname

First names

ID/Passport no

Income Tax ref no

Telephone no

Fax  
no

E-mail address

Physical address

Tender number						
Estimated Tender amount R.						
Expected duration of the tender						
Particulars of the 3 largest contracts previously awarded						
Date started	Date finalised	Principal	Contact person	Telephone number	Amount	

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

If "YES" provide details

I the undersigned confirm that I require a Tax Clearance Certificate in respect of Tenders or Goodstanding.

I hereby authorise and instruct \_\_\_\_\_ to apply to and receive from SARS the applicable Tax Clearance Certificate on my/our behalf.

\_\_\_\_\_  
Signature of representative/agent

\_\_\_\_\_  
Date

Name of representative/agent \_\_\_\_\_

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

-

-

Signature of applicant/Public Officer

Date

Name of applicant/  
Public Officer

1. It is a serious offence to make a false declaration.
2. Section 75 of the Income Tax Act, 1962, states: Any person who
  - (a) fails or neglects to furnish, file or submit any return or document as and when required by or under this Act; or
  - (b) without just cause shown by him, refuses or neglects to-
    - (i) furnish, produce or make available any information, documents or things;
    - (ii) reply to or answer truly and fully, any questions put to him ...As and when required in terms of this Act ... shall be guilty of an offence ...
3. **SARS will, under no circumstances, issue a Tax Clearance Certificate unless this form is completed in full.**
4. Your Tax Clearance Certificate will only be issued on presentation of your South African Identity Document or Passport (Foreigners only) as applicable.

## BIDDER'S DISCLOSURE

### 1. PURPOSE OF THE FORM

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

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

### 2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State Institution

- 2.2 Do you, or any person connected with the bidder, have a relationship

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

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

2.2.1 If so, furnish particulars:

.....  
 .....

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

2.3.1 If so, furnish particulars:

.....  
 .....

### 3 **DECLARATION**

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

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

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



**SBD4**

institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

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

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

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

.....	.....
Signature	Date
.....	.....
Position	Name of bidder

This document must be signed and submitted together with your bid

## THE NATIONAL INDUSTRIAL PARTICIPATION PROGRAMME

### INTRODUCTION

The National Industrial Participation (NIP) Programme, which is applicable to all government procurement contracts that have an imported content, became effective on the 1 September 1996. The NIP policy and guidelines were fully endorsed by Cabinet on 30 April 1997. In terms of the Cabinet decision, all state and parastatal purchases / lease contracts (for goods, works and services) entered into after this date, are subject to the NIP requirements. NIP is obligatory and therefore must be complied with. The Industrial Participation Secretariat (IPS) of the Department of Trade and Industry (DTI) is charged with the responsibility of administering the programme.

### 1 PILLARS OF THE PROGRAMME

- 1.1 The NIP obligation is benchmarked on the imported content of the contract. Any contract having an imported content equal to or exceeding US\$ 10 million or other currency equivalent to US\$ 10 million will have a NIP obligation. This threshold of US\$ 10 million can be reached as follows:
- (a) Any single contract with imported content exceeding US\$10 million.  
or
  - (b) Multiple contracts for the same goods, works or services each with imported content exceeding US\$3 million awarded to one seller over a 2 year period which in total exceeds US\$10 million.  
or
  - (c) A contract with a renewable option clause, where should the option be exercised the total value of the imported content will exceed US\$10 million.  
or
  - (d) Multiple suppliers of the same goods, works or services under the same contract, where the value of the imported content of each allocation is equal to or exceeds US\$ 3 million worth of goods, works or services to the same government institution, which in total over a two (2) year period exceeds US\$10 million.
- 1.2 The NIP obligation applicable to suppliers in respect of sub-paragraphs 1.1 (a) to 1.1 (c) above will amount to 30 % of the imported content whilst suppliers in respect of paragraph 1.1 (d) shall incur 30% of the total NIP obligation on a *pro-rata* basis.
- 1.3 To satisfy the NIP obligation, the DTI would negotiate and conclude agreements such as investments, joint ventures, sub-contracting, licensee production, export promotion, sourcing arrangements and research and development (R&D) with partners or suppliers.

- 1.4 A period of seven years has been identified as the time frame within which to discharge the obligation.

## **2 REQUIREMENTS OF THE DEPARTMENT OF TRADE AND INDUSTRY**

- 2.1 In order to ensure effective implementation of the programme, successful bidders (contractors) are required to, immediately after the award of a contract that is in excess of **R10 million** (ten million Rands), submit details of such a contract to the DTI for reporting purposes.

- 2.2 The purpose for reporting details of contracts in excess of the amount of R10 million (ten million Rands) is to cater for multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as provided for in paragraphs 1.1.(b) to 1.1. (d) above.

## **3 BID SUBMISSION AND CONTRACT REPORTING REQUIREMENTS OF BIDDERS AND SUCCESSFUL BIDDERS (CONTRACTORS)**

- 3.1 Bidders are required to sign and submit this Standard Bidding Document (SBD 5) together with the bid on the closing date and time.

- 3.2 In order to accommodate multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as indicated in sub-paragraphs 1.1 (b) to 1.1 (d) above and to enable the DTI in determining the NIP obligation, successful bidders (contractors) are required, immediately after being officially notified about any successful bid with a value in excess of R10 million (ten million Rands), to contact and furnish the DTI with the following information:

- Bid / contract number.
- Description of the goods, works or services.
- Date on which the contract was accepted.
- Name, address and contact details of the government institution.
- Value of the contract.
- Imported content of the contract, if possible.

- 3.3 The information required in paragraph 3.2 above must be sent to the Department of Trade and Industry, Private Bag X 84, Pretoria, 0001 for the attention of Mr Elias Malapane within five (5) working days after award of the contract. Mr Elias Malapane may be contacted on telephone (012) 394 1401, facsimile (012) 394 2401 or e-mail at [Elias@thedti.gov.za](mailto:Elias@thedti.gov.za) for further details about the programme.

## **4 PROCESS TO SATISFY THE NIP OBLIGATION**

- 4.1 Once the successful bidder (contractor) has made contact with and furnished the DTI with the information required, the following steps will be followed:

- a. the contractor and the DTI will determine the NIP obligation;
- b. the contractor and the DTI will sign the NIP obligation agreement;

- c. the contractor will submit a performance guarantee to the DTI;
- d. the contractor will submit a business concept for consideration and approval by the DTI;
- e. upon approval of the business concept by the DTI, the contractor will submit detailed business plans outlining the business concepts;
- f. the contractor will implement the business plans; and
- g. the contractor will submit bi-annual progress reports on approved plans to the DTI.

4.2 The NIP obligation agreement is between the DTI and the successful bidder (contractor) and, therefore, does not involve the purchasing institution.

Bid number ..... Closing date:.....

Name of bidder.....

Postal address .....

.....

Signature..... Name (in print).....

Date.....

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

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

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

### 1. GENERAL CONDITIONS

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

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

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

- a) The applicable preference point system for this tender is the 90/10 preference point system.
- b) The applicable preference point system for this tender is the 80/20 preference point system.

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

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

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

The maximum points for this tender are allocated as follows:

	POINTS	POINTS
<b>PRICE</b>	<b>80</b>	<b>90</b>
<b>SPECIFIC GOALS</b>	<b>20</b>	<b>10</b>
<b>Total points for Price and SPECIFIC GOALS</b>	<b>100</b>	<b>100</b>

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

## 2. DEFINITIONS

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

## 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### 3.1. POINTS AWARDED FOR PRICE

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

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

##### 80/20

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

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

#### 3.2.1. POINTS AWARDED FOR PRICE

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

$$P_s = 80 \left( 1 + \frac{80/20 \cdot (P_t - P_{max})}{P_{max}} \right)$$

Where

$P_s$  = Points scored for price of tender under consideration

$P_t$  = Price of tender under consideration

$P_{max}$  = Price of highest acceptable tender

### 4. POINTS AWARDED FOR SPECIFIC GOALS

4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

(a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or

(b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

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

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



The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system)	Number of points allocated (80/20 system)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Women owned Organizations	4	8		
Youth	2	4		
People with Disability	1	2		
Locality: Eastern Cape	2	5		
Military Veterans	1	1		

#### DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium

One-person business/sole propriety

Close corporation

Public Company

Personal Liability Company

(Pty) Limited

Non-Profit Company

State Owned Company

[TICK APPLICABLE BOX]

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –

- (a) disqualify the person from the tendering process;
- (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
- (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
- (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution, if deemed necessary.

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

## **DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS**

This Standard Bidding Document (SBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2017, the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

### **1. General Conditions**

- 1.1. Preferential Procurement Regulations, 2017 (Regulation 8) make provision for the promotion of local production and content.
- 1.2. Regulation 8.(2) prescribes that in the case of designated sectors, organs of state must advertise such tenders with the specific bidding condition that only locally produced or manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for tenders referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

$$LC = [1 - x / y] * 100$$

Where

x is the imported content in Rand

y is the bid price in Rand excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid as indicated in paragraph 4.1 below.

**The SABS approved technical specification number SATS 1286:2011 is accessible on [http://www.thedti.gov.za/industrial development/ip.jsp](http://www.thedti.gov.za/industrial%20development/ip.jsp) at no cost.**

1.6. A bid may be disqualified if this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation;

2. The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:

<u>Description of services, works or goods</u>	<u>Stipulated minimum threshold</u>
_____	_____ %
_____	_____ %
_____	_____ %

3. Does any portion of the goods or services offered have any imported content?

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

3.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by SARB for the specific currency at 12:00 on the date of advertisement of the bid.

The relevant rates of exchange information is accessible on [www.reservebank.co.za](http://www.reservebank.co.za)

Indicate the rate(s) of exchange against the appropriate currency in the table below (refer to Annex A of SATS 1286:2011):

<b>Currency</b>	<b>Rates of exchange</b>
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

NB: Bidders must submit proof of the SARB rate (s) of exchange used.

4. Where, after the award of a bid, challenges are experienced in meeting the stipulated minimum threshold for local content the dti must be informed accordingly in order for the dti to verify and in consultation with the AO/AA provide directives in this regard.

**LOCAL CONTENT DECLARATION**  
**(REFER TO ANNEX B OF SATS 1286:2011)**

**LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)**

**IN RESPECT OF BID NO. ....**

**ISSUED BY: (Procurement Authority / Name of Institution):**

NB

- 1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.
- 2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on <http://www.thdti.gov.za/industrialdevelopment/ip.jsp>. Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

I, the undersigned, ..... (full names),  
do hereby declare, in my capacity as .....  
of ..... (name of bidder  
entity), the following:

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that:
  - (i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011; and
- (c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

Bid price, excluding VAT (y)	R
Imported content (x), as calculated in terms of SATS 1286:2011	R
Stipulated minimum threshold for local content (paragraph 3 above)	
Local content %, as calculated in terms of SATS 1286:2011	

**If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above.**

**The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E.**

- (d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.
- (e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 14 of the Preferential Procurement Regulations, 2017

promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

**SIGNATURE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**WITNESS No. 1** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**WITNESS No. 2** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**Local Content Declaration - Summary Schedule**

(c1)	Tender No.
(c2)	Tender description:
(c3)	Designated products)
(c4)	Tender Authority:
(c5)	Tendering Entity name:
(c6)	Tender Exchange Name:
(c7)	Specified local content %

Pub's

1

1

Tender Item no's	List of Items
(C2)	(C3)
1	Reinforcing bars
2	Steel Joisting, Connecting Components
3	Door and Window Frames
4	Roof Trusses
5	Plastic Pipes and Fittings

[illegible][illegible]

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

(c) Total Count Insects: R.O.

(C22) Total Exempt Imported content

1023 Total Branded

**(CZ) Total loc**

Run	(C25) Average local content % of binder
1	100
2	100
3	100
4	100
5	100
6	100
7	100
8	100
9	100
10	100
11	100
12	100
13	100
14	100
15	100
16	100
17	100
18	100
19	100
20	100
21	100
22	100
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100	100



# **THE NATIONAL TREASURY**

**Republic of South Africa**



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## **GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT**

July 2010

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- 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 goods 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 "Supplier" means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.

1.26 "Tort" means in breach of contract.

1.27 "Turnkey" means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.

1.28 "Written" or "in writing" means hand-written 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 (excluding professional services related to the building and construction industry), 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 goods, 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 Invitations to bid are usually published in locally distributed news media and on the municipality/municipal entity website.

## **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

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, and in any subsequent instructions ordered by the purchaser.

**10. Delivery and documents**

- 10.1 Delivery of the goods and arrangements for shipping and clearance obligations, shall be made by the supplier in accordance with the terms specified in the contract.

**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.

**12. Transportation**

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

**13. Incidental Services**

- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any:

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

**16. Payment**

- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified.
- 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.

**GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT**

16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.

16.4 Payment will be made in Rand unless otherwise stipulated.

**17. Prices**

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

**18. Variation orders**

18.1 In cases where the estimated value of the envisaged changes in purchase does not vary more than 15% of the total value of the original contract, the contractor may be instructed to deliver the goods or render the services as such. In cases of measurable quantities, the contractor may be approached to reduce the unit price, and such offers may be accepted provided that there is no escalation in price.

**19. Assignment**

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

**20. Subcontracts**

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

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

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

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

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

**GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT**

21.4 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 22.2 without the application of penalties.

21.5 Upon any delay beyond the delivery period in the case of a goods contract, the purchaser shall, without cancelling the contract, be entitled to purchase goods 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 judgement 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.



**THE NATIONAL TREASURY: Republic of South Africa**

- 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 supplier as having no objection and proceed with the restriction.
- 23.5 . Any restriction imposed on any person by the purchaser will, at the discretion of the purchaser, 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 purchaser 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 supplier to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the supplier in regard to goods 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 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 for goods delivered and / or services rendered according to the prescripts of the contract.

**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.

**31. Notices**

31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice.

31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

**32. Taxes and duties**

32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

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- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid SARS must have certified that the tax matters of the preferred bidder are in order.
- 32.4 No contract shall be concluded with any bidder whose municipal rates and taxes and municipal services charges are in arrears.

**33. Transfer of contracts**

- 33.1 The contractor shall not abandon, transfer, cede assign or sublet a contract or part thereof without the written permission of the purchaser

**34. Amendment of contracts**

- 34.1 No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force 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.

**35. Prohibition of restrictive practices**

- 35.1 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.
- 35.2 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 section 59 of the Competition Act No 89 Of 1998.
- 35.3 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.