

Tender Number: RFP 27/12/2023

Request for proposals for the long-term lease and development of Portion 5 of the Farm 554 Rietkuil IQ (Formerly known as Ramolelle Combined School)

DECEMBER 2023

NAME OF TENDERING ENTITY :

TOTAL PRICE INCLUSIVE OF VAT: R.....

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PART A**INVITATION TO BID (SBD 1)**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:	RFP 27/12/2023	CLOSING DATE:	17 January 2024	CLOSING TIME:	11:00 AM
DESCRIPTION	Leasing Request for proposals for the long-term lease and development of Portion 5 of the Farm 554 Rietkuil IQ (Formerly known as Ramolelle Combined School)				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT GROUND FLOOR CORNERHOUSE BUILDING CORNER COMMISSIONER AND PRIXLEY KA ISAKA SEME (SAUER) STREET MARSHALLTOWN, JOHANNESBURG					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:			TECHNICAL INFORMATION MAY BE DIRECTED TO:		
CONTACT PERSON	Gopolang Monkwe		CONTACT PERSON	Diana Rampou	
TELEPHONE NUMBER			TELEPHONE NUMBER		
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	Gopolang.monkwe@gauteng.gov.za		E-MAIL ADDRESS	Diana.rampou@gauteng.gov.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE STATUS PIN:		OR	CSD NUMBER:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	[TICK APPLICABLE BOX] ☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	[TICK APPLICABLE BOX] ☐ Yes ☐ No	
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT (FOR EMEs & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE	☐ Yes ☐ No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS / SERVICES / WORKS OFFERED?	☐ Yes ☐ No [IF YES ANSWER FOREIGN SUPPLIERS QUESTIONNAIRE BELOW]	

GOODS / SERVICES / WORKS OFFERED?			
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS			
IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	☐ YES	☐ NO	
DOES THE BIDDER HAVE A BRANCH IN THE RSA?	☐ YES	☐ NO	
DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	☐ YES	☐ NO	
DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?	☐ YES	☐ NO	
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.			

PART B

TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:	
1.1.	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2.	ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.
1.3.	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4.	THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).
2. TAX COMPLIANCE REQUIREMENTS	
2.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA .
2.4	BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6	WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7	NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

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

SIGNATURE OF BIDDER:

.....

CAPACITY UNDER WHICH THIS BID IS SIGNED:

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

.....

DATE:

.....

INVITATION TO TENDER

Short description of requirements:	Request for proposals for the long-term lease and development of Portion 5 of the Farm 554 Rietkuil IQ (Formerly known as Ramolelle Combined School)
Tender number:	RFP 27/12/2023
Tender Validity Period:	180 Calendar days
Tender documents available from: <u>1 DECEMBER 2023</u>	E-Tender portals: National Treasury: https://www.etenders.gov.za Provincial Government e-tender portal: http://e-tenders..gov.za
Price of tender documents:	Bidders may download the tender documents from the above tender portals at their own cost
Closing date:	17 JANUARY 2024
Closing time:	11:00AM
Address for submission of tenders:	Department of Infrastructure Development Corner House Building, Corner Commissioner and Pixley Ka Isaka Seme (Sauer Street) Marshalltown Johannesburg
Compulsory pre-bid meeting/site briefing meeting (all bidders who fail to attend the meeting will be disqualified)	No Yes <input style="width: 50px; height: 20px; border: 1px solid black;" type="checkbox"/> <input checked="" style="width: 50px; height: 20px; border: 1px solid black;" type="checkbox"/> Details of the compulsory pre-bid meeting/site briefing meeting is indicated below. NB: Tenderers that do not attend the compulsory pre-bid meeting/ site meeting will be disqualified. The representative attending the compulsory pre-bid meeting / site briefing may only attend for one bidding enterprise and/or Joint Venture/Consortium/Trust.

	Meeting Address:	Plot 554 Rietkuil Farm, Rietkuil, Vanderbijl Park (20 Rietkuil Road, Rietkuil) formerly known as Ramolelle Combined School.
	Date of meeting:	8 DECEMBER 2023
	Time of meeting:	10:00 AM

Tender Evaluation Steps:	1) Mandatory / Compulsory Administrative Requirements
	2) Other Admin Requirements Applicable to this Procurement
	3) Functionality Evaluation Criteria
	4) Preference Point System Evaluation

Mandatory / Compulsory Administrative Requirements	Failure to submit, meet and comply with the requirements outlined in <u>Section 6 (Stage 1 of the evaluation)</u> of the Terms of Reference, constitutes automatic disqualification of tender offer.
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Other Administrative Requirements Applicable to this Procurement	The returnable documents applicable to <u>Section 6(Stage 1 of the evaluation)</u> of the Terms of Reference must be fully completed and submitted
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Functionality Evaluation Criteria	Functionality evaluation will be conducted in accordance with <u>Section 6 (Stage 2 of the Evaluation)</u> of the Terms of Reference.
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Preference Point System:	80/20 or 90/10 Preference Point System evaluation will be conducted in accordance with Section 6 (Stage 3 of the Evaluation)
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Enquiries technical:	Ms. Diana Rampou diana.rampou@gauteng.gov.za
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Enquiries general:	Ms. Gopolang Monkwe gopolang.monkwe@gauteng.gov.za Queries will be entertained a day after the briefing meeting until 3 days before the closing of tender.
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<u>Note to tenderers:</u> This tender is subject to the General Conditions and Special Conditions of Contract, the Preferential Procurement Policy Framework Act no 5 of 2000 and its Regulations of 2022.	
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1. INTRODUCTION

The Gauteng Provincial Government (GPG) owns a large portfolio of immovable assets located in all the Gauteng City Region corridors. The Gauteng Department of Infrastructure Development and Property Management (DID) is the custodian of the provincial immovable assets and provides for the service delivery infrastructure requirements of all Gauteng Provincial Departments.

The Department has been designated as the custodian by the Premier on the 12th October 2009 in terms of Section 1, read together with Section 4 (1) (c) of the Government Immovable Assets Management Act, Act 19 of 2007 (GIAMA).

In terms of GIAMA, the role of the custodian is defined as follows, a custodian:

- acts as the caretaker in relation to an immovable asset of which it is the custodian; and
- may, in the case of a provincial department, subject to the relevant provincial land administration law, acquire, manage and dispose of an immovable asset.

The Department furthermore as custodian of immovable assets must ensure that it is also compliant with all other pertinent legislation to ensure that it discharges its duties and fulfil its mandate.

Additional, Section 5 (1) (a) of the Government Immovable Asset Management Act (GIAMA), prescribes that “an immovable asset must be used efficiently and becomes surplus to a user if it does not support its service delivery objectives at an efficient level and if it cannot be upgraded to that level”.

Section 5 (1) (d) of GIAMA further prescribes that “immovable assets that are currently used must be kept operational to function in a manner that supports efficient service delivery”. The portfolio under the custodianship of DID excludes

properties that are under the custodianship of the Gauteng Province Department of Human Settlement (GPDHS) and Gauteng province Department of Roads and Transport (GPDRT) considering the custodian framework drafted in 2015.

The Department seeks to maximise the performance of the property portfolio under its custodianship to achieve improved efficiencies of service delivery as well as toward achieving the key objectives of GPG's sixth administration. The objectives of GPG are formulated around the vision for the Gauteng of 2030 – the Gauteng we want i.e. the “Growing Gauteng Together” GGT 2030 Plan. It extends on the principles and priorities contained in the National Development Plan (NDP), the Manifesto, work carried out to date as part of Gauteng's Transformation, Modernisation and Reindustrialisation (TMR) programme, and efforts to maximise the benefits associated with the province's location within a wider city-region – the Gauteng City-Region (GCR) and also guided by the following overarching policy, strategies, commitments and policy directives – amongst others;

- At an international level, the Sustainable Development Goals (SDGs),
- At a national level, the Integrated Urban Development Framework (IUDF) and the National Spatial Development Framework (NSDF),
- At a provincial level, the Gauteng Spatial Development Framework (GSDF) 2030 and the Gauteng-City Region Integrated Infrastructure Master Plan (GCR-IIMP), and
- At a local level, Municipal Growth and Development Strategies, Integrated Development Plans (IDPs) and Spatial Development Frameworks (SDFs)

The lack of proper management of GPG assets have caused some difficulties in optimising assets in terms of their value and use. This has led to challenges in asset management such as underutilised land and buildings, high cost of maintenance and operations, as well as lack of control in the improvement of asset performance. Consequently, these issues have caused loss of opportunity to achieve optimum

economic use and potential benefits of assets, and an inability to reduce expenditure in maintaining and retaining such assets.

The Department wishes to invite interested persons to submit proposals for the 30-year long-term lease and development of Portion 5 of the Farm Rietkuil IQ. The property is vested under the custodianship of the Gauteng Provincial Government (GPG), through the Department of Infrastructure Development and Property Management (DID). The property was formerly occupied by the Department of Education (GDE) as a school known as Ramolelle Combined School, however the GDE surrendered the property to the DID as surplus to their requirements. The property lies vacant with dilapidated structures. The vision of the property by the department is to lease it for the desired highest and best use development.

It is noteworthy that the department wishes to restore the spatial landscape of the province and be recognized as a reputable Property Management department, hence the development opportunity through a 30 year long-term lease for the Construction, refurbishment, operation, management and maintenance of the identified property that is vacant and vandalised which may be converted into any desired highest and best use development that should be in line with the spatial planning and land use management systems of the Emfuleni Local Municipality. The proposed development should be viable and desirable from a town planning, engineering, environmental and socio-economic point of view.

Thus, to be clear, the development opportunity requires respondents to demonstrate construction for refurbishment and post construction (i.e., operational and facilities management) capability and capacity to develop, operate, manage, and maintain the envisaged development.

DID has conducted a desktop study on the current status of the property in order to provide the development prospects. These aspects are discussed in the sections below. Please note that the information provided aims to assist the Bidder with

assessing the opportunity and the Bidder needs to verify the information for decision making purposes.

2. PROPERTY INFORMATION

PROPERTY DESCRIPTION

The subject property is Portion 5 of the Farm Rietkuil 554 IQ

EXTENT (size in hectares)

2,5696 ha

Locality and Aerial View

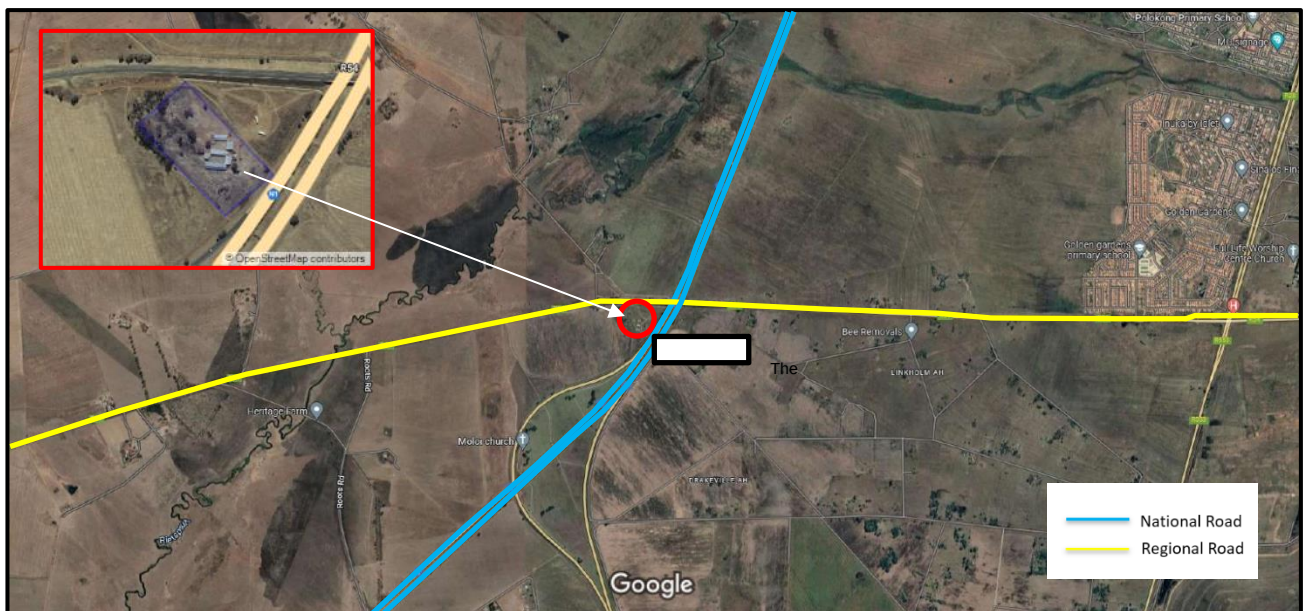


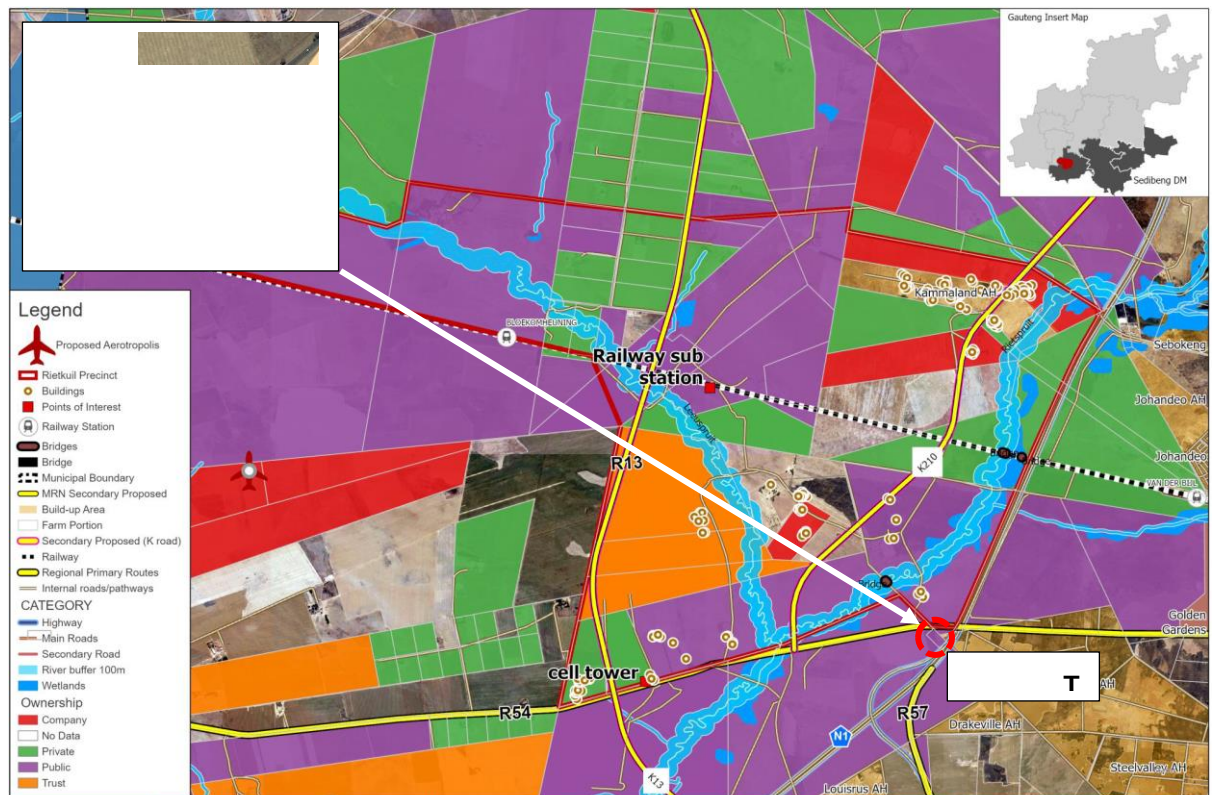
Figure 1: Locality Map

The subject property is located in the south of Gauteng within the Sedibeng District Municipality and under the Emfuleni Local Municipality jurisdiction. The physical address of the subject property is Plot 554 Rietkuil Farm, Rietkuil, Vanderbijlpark (20 Rietkuil Road, Rietkuil), formerly known as Ramolelle Combined School. It is buffered by the N1 highway (highlighted in blue) to the East and R54 (highlighted in yellow) to the North.

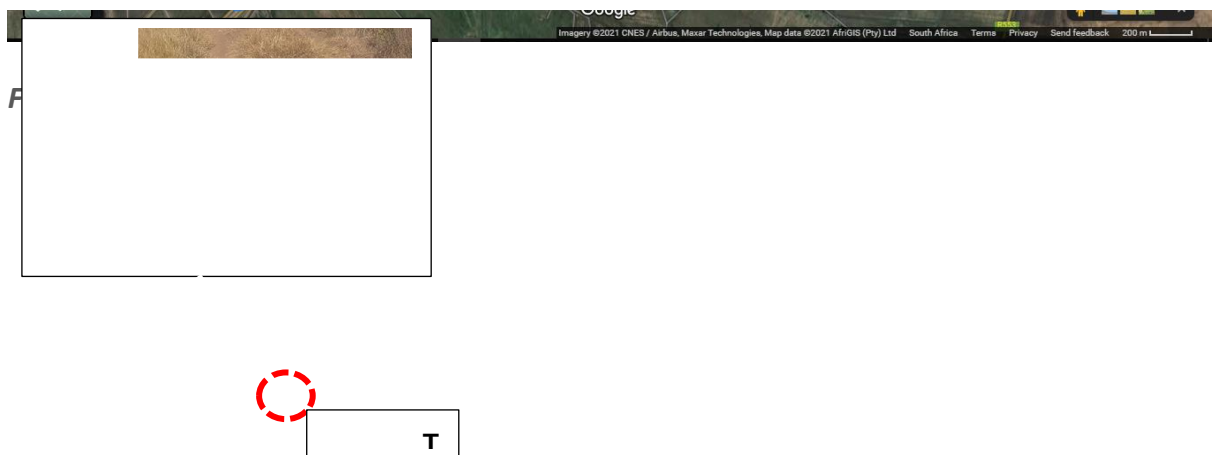
OWNERSHIP

The subject property is vested under the custodianship of the Gauteng Provincial Government, Title Deed number T61769/2016, through the Department of Infrastructure Development and Property Management (DID). The previous User Department was the Department of Education who

surrendered the property to the DID as prescribed in the Government Immovable Asset Management Act (Act 19 of 2007), GIAMA.



AERIAL VIEW



DEVELOPMENT CONTROLS

In terms of the Peri Urban Town Planning Scheme 1975, the zoning of the abovementioned portion is "Undetermined".

Coverage	10%
Height	2 storeys
Density	1 dwelling house with the necessary outbuildings
Building line	10m from the street and as determined by SANRAL and Gauteng Department of Roads and Transport along the National and Provincial Roads
Purposes allowed	Dwelling houses, agricultural buildings
Purposes allowed with consent	Any other use

SERVITUDES

There are no known servitudes, however, should there be any unprotected municipal servitudes found, relocation should be to the satisfaction of Council approval for the cost to the Developer.

Building lines as prescribed by the local Council.

Sewerage or water and other municipality services along the property boundaries will be the responsibility of the Developer.

SERVICES/ UTILITIES

The facility shows signs that it was once equipped with utilities such as potable water and electricity, although to date such utilities have been vandalized and rendered unavailable for use. Sewage collection and treatment at the facility was by means of a septic tank which is currently full, and will require a specialist to dispose of in accordance with the applicable health, safety and environmental requirements and legislation in South Africa.

The information above leads to the conclusion that the facility is currently not connected to the municipal bulk infrastructure system for the following utilities:

- Water supply (potable);
- Sewage collection and disposal;
- Refuse removal;
- Electricity supply and gas supply; and
- Stormwater drainage

The onus remains with the developer/ bidder to confirm the above and make the necessary arrangements to equip the facility with the necessary utilities at his/her own cost.

STRUCTURES AND PHYSICAL FEATURES



Figure 3: Existing Dilapidated structures on site



Figure 4 (a-d): Status of existing buildings on site



3. BID SPECIFICATION

The following specifications apply to this bid;

3.1 Request for proposals for the long-term lease and development of portion 5 of the farm 554 Rietkuil IQ (formerly known as Ramolelle Combined School).

3.2 The subject property is vacant.

3.3 Specifications for use and development of the Property (Vision for the Property):

The former Ramolelle school, the subject property, is situated in close proximity to the proposed Rietkuil Precinct (draft Precinct Plan), therefore it would be advisable to reconfigure the school into any desired highest and best use development that should be in line with the spatial planning and land use management systems of the Emfuleni Local Municipality.

3.3.1 The development must align with the Emfuleni Local Municipality and Sedibeng District Municipality Spatial Development Frameworks (SDFs) and Integrated Development Plans (IDPs) including regeneration strategies and the surrounding urban form.

3.3.2 The development should also aim to include sustainable features (Green Technologies) that contribute to environmental sustainability such as energy efficiency, water efficiency, recycling etc.

3.4 Property Tenure:

The Property shall be made available by means of a **30-year long-term lease agreement** in accordance with the DID's standard agreement. The following terms of contract are non-negotiable:

3.4.1 The Development and Lease period shall be for 30 years.

Upon expiry or termination of the Development and Lease agreement, possession of the property will revert to the Department of Infrastructure Development (DID) without any compensation.

3.4.2 On lease termination the land and structure will revert to the department, upon the department confirming that the top structure is fit for service delivery purposes. If not, the top structure will be demolished at the cost of the successful bidder and only the land will revert back to the department.

3.5 The successful bidder will be responsible for and shall bear all costs related to the development of the property including external and/or internal bulk services. (if applicable)

3.6 The successful bidder will be responsible for the cancellation or relocation of all servitudes which may be registered over the property.

3.7 The successful bidder will be responsible to obtain all statutory approvals (Rezoning, Environmental, Water Use Licence, Site Development Plan, Building Plan, etc) which are required for the development of the property.

3.8 The property is made available in accordance with the site information made available in section 2 of this document.

3.9 The DID expects the prospective developer to provide a comprehensive Construction/ refurbishment program.

3.10 Bidders are required to demonstrate their ability and capacity to deliver and manage the proposed development.

3.11 Bidders are expected to support the goals and objectives of the National Government's Expanded Public Works Program (EPWP). In this regard, the successful bidder will be required to keep the required records and provide regular reports to DID as required by the EPWP. In addition, hereto, bidders are expected to support the relevant enterprise development programmes of the Emfuleni Local Municipality and/or Sedibeng District Municipality.

Development Incentives:

3.12 It is the responsibility of the successful bidder to enquire with the local council on available development incentives such as Rates and Taxes payment holiday.

Development Proposal:

3.13 Bidders are required to submit a concise development proposal for the site.

The development proposal must include a concept Site Development Plan, an Architectural concept of the proposed development and the approach to the rehabilitation and preservation of the natural environment.

Estimated development time frames:

Bidders should provide estimated development timeframes as follows;

- 3.4.1 Estimated time, in months, from date of signature of development agreement to date of start of construction. *(indicate total number of Months)*
- 3.4.2 Estimated time, in months, from start of construction to completion of construction. *(Indicate total number of Months)*
- 3.4.3 Bidder shall be responsible for obtaining all necessary permits and licenses to construct. Any lead times involved in the procurement of such licenses and permits shall be factored into the programme by the Bidder, to safely ensure that the property becomes fully functional and operational at dates as indicated in this proposed development programme and such dates that fully coincide with the dates as indicated in the Lease Agreement and Development Agreement. The time and costs for achieving these milestones shall be factored into the overall proposed development cost and programme that shall be submitted as part of this bid.

1. Financial Projections

Income	Year 1	Year 2	Year 3	Total
- Other income				
Expenses				
- Water & electric				
- Rates & taxes				
- Security				
- Insurance				
- Maintenance				
- Lease rental				

- Other expenses				
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Table 1: Example of financial projections breakdown

Bidders should attach document indicating annual financial projections – for the full term of the lease and attach document indicating monthly financial projections – for first five years. Also indicate year where return on Investment (ROI) will be recovered.

The financial projections should be broken down as follows:

TERM	CONDITION
Year 0 to 2 years (24 months)	- Construction period. Note: Rental fees for the first 2 years will be recovered over a period of 5 years once the successful bidder starts to generate income from the property.
Year 2 to 10	Rental charged on vacant land
Year 11 to 29	Review of rental charged. Rental to be changed on both land and proposed structure
Year 30	a. The land and structure revert back to the department (custodian) b. Top structure is demolished, and the land reverts back to the department (custodian) <i>(One of the above options will apply)</i>
Year 30 + (Possible extension)	a. The extension will not be automatic; b. It will be the Department's discretion whether to extend the lease or not; c. The above will be evaluated on whether the Department will require the land back or not.

The preferred Bidder shall be responsible for the entire procurement process required to successfully complete the development. This entails assuming total responsibility for the:

1. Design of buildings and infrastructure,
2. Local Authority approvals,
3. All construction associated with the development,
4. Cost and quality management,
5. Overall project and programme management and,
6. Necessary insurances required to successfully complete the development subject to the terms and conditions stipulated in the lease and/or development agreements.

4. TOP STRUCTURE DEVELOPMENT CONDITIONS

4.1. Bidders will be required to comply with the relevant Town Planning Schemes for the respective municipalities where the property is located, the approved Development Framework Plan for the site and any other regulatory requirements that may apply.

4.2 Bidders will be required, at their cost, to make all other required applications to obtain approval for construction, including (without limitation):

- (i) Building Plan and Site Development Plan approvals (where applicable);
- (ii) Town Planning approvals (where applicable);
- (iii) Environmental Impact Assessment approval;
- (iv) Traffic Impact assessment approval (if applicable); and
- (v) Retail license (if applicable) etc.

4.3 Bidder shall be responsible for obtaining all necessary permits and licenses to construct the top structure. Any lead times involved in the procurement of such licenses and permits shall be factored into the programme by the Bidder, to safely ensure that the property becomes fully functional and operational at dates as indicated in this proposed development programme and such dates that fully coincide with the dates as indicated in the Lease Agreement and Development Agreement. The time and costs for achieving these milestones shall be factored into the overall proposed development cost and programme that shall be submitted as part of this bid.

4.4 The preferred Bidder shall be responsible for the entire procurement process required to successfully complete the development. In this regard, the Bidder is referred to Section 2 of this RFB. This entails assuming total responsibility for the

design of buildings and infrastructure, Local Authority approvals, all construction associated with the development, cost and quality management, overall project and programme management and necessary insurances required to successfully complete the development subject to the terms and conditions stipulated in the lease and/or development agreements

4.1 The following information must be included in the bid proposal:

- 4.1.1 Commercial terms including rental, escalation, estimated operating costs, internal rate of return and net present value of investment.
- 4.1.2 Detailed Site development plan.
- 4.1.3 Feasibility indicating projected income, full development costs including land and finance costs and return anticipated from the development.
- 4.1.4 Indicative Development Programme.
- 4.1.5 Concept designs where applicable.
- 4.1.6 Details of the tenant/s where applicable and a confirmation letter from the tenant man-dating the bidder to source a property for them.
- 4.1.7 Confirmation of funding sources, if funding is to be obtained from an investor, financial institution or other 3rd party. The confirmation of funding will be subject to the bidder first securing the development opportunities as well as the viability of the proposed development.
- 4.1.8 Latest audited balance sheet and income statement or management accounts of the bid-ding entity

5 THE FINANCIAL OFFER

This offer is made for the property in accordance with section 2 - the Property Information and in accordance with the bid specifications in section 3 of this document.

Unless stated otherwise all prices include VAT.

Please submit calculations for the 30-year period.

FINANCIAL OFFER	ASSUMPTION AND DESCRIPTION	AMOUNT
Rental offer on land (Market Related Rental, MRR), at least 1% of the	30-year period Annual Escalation is 8%	R

total market related value		
Rental offer on Development/top structure (MRR), at least 1% of the total market related value	From year 11 including annual escalation	R
Total Development cost	Total development cost including the land and top structure	R
Discount Rate	11.38	

Table 2: Financial Offer

Payment for Rates and Taxes

In addition to the above amounts the lessee will be required to pay all municipal charges including rates and taxes levied on the property. The rates and taxes will become payable from the date the lessee takes possession of the site.

6 EVALUATION CRITERIA

Bids will be evaluated in line with the department's Supply Chain Management policy and PPR 2022. The department reserves the right to engage with or request selected bidders to present their proposals to a panel of officials during this process.

Bid Evaluation Mechanism

The Proposals will be evaluated as follows:

- a. Stage 1 - Mandatory Requirements
- b. Stage 2 - Functionality Evaluation
- c. Stage 3 - Price and Preference

I. STAGE 1

a. Mandatory Requirement

Bidders must ensure that the following mandatory returnable documents are fully completed and signed where applicable, and submitted for compliance:

NB: Failure to submit / meet or comply with the following requirements constitute automatic disqualification of tender offer.

- a) SBD 1 Form (Invitation to bid)
- b) SBD 3.1 Form (Pricing Schedule for Firm Prices)
- c) SBD 6.1 Preference Points Claim Form
- d) SBD 4 Form (Bidder's Disclosure)
- e) Submission of signed Joint Venture/ Consortia Agreement in case of Joint Venture, Consortium if applicable.
- f) Submission of valid COIDA certificate (Letter of Good standing)
(Submit a confirmation letter from the Department of Labour if the certificates can't be issued due to investigations or other reasons)
- g) Compulsory site attendance ***(Bidder to sign the attendance register circulated at the site briefing meeting)***
- h) Letter from a funder, Proof of available funds or Letter of intent from a reputable financial institution (Letter to be verified for authenticity)

b. Other Administration Requirements

- a) Submission of proof of registration with CSD (CSD registration report Or MAAA number)
- b) Submission of Company registration documents (e.g. Founding Statement CK1/ Certificate of Incorporation – CM1, etc.)
- c) Submission of a Tax Compliance Status PIN that will grant a third-party access to the bidder's Tax Compliance Status.
- d) Certified copy of the Identity Document of all owners/ shareholders/members/directors/ Trustees. Certification as a true copy of the original must not be older than 6 months prior to bid closing.
- e) Bidders are required to submit annual financial statements not older than 18 months signed off by the registered accountant, accounting officer or an auditor or a signed letter from the accountant for bidders that do not require to be audited

II. STAGE 2

a) Functionality Evaluation

The functionality will then be scored as per the Functional Score Criteria given in *Table 3* below. The minimum score for functionality for each item in the functional score table shall not be less than 65 points Passing this stage gate, the bid will further be evaluated for Price

FUNCTIONALITY EVALUATION	
Functionality total points	100 points
Minimum threshold points	65 points

Main functionality criteria:	Sub criteria	Points allocation for sub-criteria	Weighting factor:
1. COMPANY EXPERIENCE (25 Points)			
Bidder to provide a detailed list of projects indicating project name, project address, year completed, project duration, capital value and contactable client references (name and contact details)			
1.1 Demonstrated experience of tendering entity with respect to <u>Property Development</u>	The scoring will be based on the total development value for each project mentioned below.		10 Points
	Capital value of R 150 million and above	10 Points	
	Capital value of R 100 million to below R 150 million	8 Points	
	Capital value of R 50 million to below R 100 million	6 Points	
	Capital value of R 20 million to below R 50 million	4 Points	
	Capital value of below R 20 million	2 Point	
1.2 Demonstrated experience of tendering entity with respect to <u>Construction of similar projects</u>	The scoring will be based on the total development value for each project mentioned below.		10 Points
	Capital value of R 150 million and above	10 Points	
	Capital value of R 100 million to below R 150 million	8 Points	
	Capital value of R 50 million to below R 100 million	6 Points	
	Capital value of R 20 million to below R 50 million	4 Points	

	Capital value of below R 20 million	2 Point	
1.3 Demonstrated experience of tendering entity with respect to <u>facilities management of similar projects</u>	Provide proof of properties managed, or a letter of intent to source a facilities management company. Scoring will be based on the value of property for each project mentioned below.		
	R50 million and above	5 Points	
	Below R50 million from R20 million	3 Points	
	Below R20 million	1 Point	
Note: The project list must have <u>all</u> the required information. If not all the required information is included, then the bidder will lose all points for that sub-criterion. The list refers to project name, project address, year completed, project duration, capital value and contactable client references (name and contact details) <i>NB: A bidder to achieve a minimum of 20 Points for this criterion.</i>			5 Points
2. DEVELOPMENT PROPOSAL			
2.1 Details of Concept based on the following: a. Alignment with approved zoning rights b. Compliance with town planning regulations and full satisfaction with the local authority (i.e. Zoning rights, land use compliance, traffic impact assessment, environmental impact assessment if applicable, density requirements, etc) c. Elements of sustainable development	Non-existence or very poor	0 Points	
	Some evidence of meeting requirement	3 Points	
	Demonstrates capability but not strong	6 Points	
	Meets requirement	8 Points	
	Meets requirement well	10 Points	
	Very well suited and responsive to requirement	12 Points	
	Perfectly suited and, meets complete requirement	15 Points	
			15 Points

d. Site development plans (the drawings should include the site, including all townplanning information, indicating the total footprint of the proposed structures, location on the site, sketch plans and elevations, layout of services, public access and drainage)			
e. Esthetic appeal (existing and proposed landscape features, lighting)			
2.2 Detailed Business plan (including but not limited to the detailed concept, detailed development feasibility, details of commercial terms and proposed tenant to occupy the structure if sub-letting)	Non-existence or very poor	0 Points	20 Points
	Some evidence of meeting requirement	4 Points	
	Demonstrates capability but not strong	7 Points	
	Meets requirement	10 Points	
	Meets requirement well	13 Points	
	Very well suited and responsive to requirement	16 Points	
	Perfectly suited and, meets complete requirement	20 Points	
NB: A bidder to achieve a minimum of 30 Points for this criterion.			
3. ERMPOWERMENT PLAN AND SOCIAL BENEFIT	Bidder to submit details on how they will undertake the following:		25 Points
	Job Creation Plan (Long-Term).	7 Points	
	Training and Development Programmes (during and after construction).	6 Points	

	Demonstrate how the development will benefit the local community and/or community-based organisations.	6 Points	
	Enterprise Development (during and after construction)	6 Points	
Non submission will result in the bidder forfeiting points. NB: A bidder to achieve a minimum of 20 Points for this criterion.			
4. INVESTMENT MANAGEMENT PLAN Detailed methodology description and financial analysis and projections	Bidders to submit the investment management plan to demonstrate how they arrived at the following financial components of the proposed project: Components of the proposed project:		15 Points
	Development capital costs	5 Points	
	Proposed lease payment	5 Points	
	Return on Investment Calculations	5 Points	
Non submission will result in the bidder forfeiting points. NB: A bidder to achieve a minimum of 12 Points for this criterion.			
TOTAL FUNCTIONALITY POINTS			100 Points

Table 3: Functionality Criteria

III. STAGE 3

a) PREFERENCE POINT SYSTEM EVALUATION

Gauteng Department of Infrastructure Development will apply the 80/20 OR 90/10 preference point system in accordance with Regulation 3 of the Preferential Procurement Regulations, effective from 16 January 2023. The points will be allocated as follows:

PREFERENCE POINT SYSTEM	POINTS
Price	80 or 90
Specific Goals	20 or 10

Specific Goals	Approved documentation to support the Specific Goals (to allow bidders to score points)	Points allocation for sub-criteria		Total Points:
HDI targeted – at-least 51% ownership as follows:	Townships or rural or underdeveloped areas (The address on CIPC company registration documents will be utilized to determine the allocation of points, no points will be allocated if the company is not registered under the township, Rural or Underdeveloped area)	8 points	6 points	10 or 20 Points
	Women (Provide ID documents for Members / shareholder / Directors / Owner, no points will be allocated if ID's are not provided)	3 points	1 points	
	Youth (Provide ID documents for Members / shareholder / Directors / Owner, no points will be allocated if ID's are not provided)	3 points	1 points	
	PwD (provide a confirmation letter / certificate from medical practitioner, no points will be allocated if no confirmation letter or certificate from medical practitioner stating the permanent disability for the owner/ director / member shareholder of the company)	3 points	1 points	
	Military veterans (provide a confirmation letter with a force number from department of military veterans, no points will be allocated if no confirmation letter or certificate from department of military veterans stating the membership of the owner/ director / member shareholder of the company)	3 points	1 points	
	TOTAL	20 Points	10 Points	

Note: Bidders to submit the specified documentation as proof to support the specific goals above. Failure to submit as required, the bidder will forfeit points. The specific goals will be evaluated based on either the 80/20 or the 90/10 as guided by regulation 3 of PPR 2022.	
TOTAL SPECIFIC GOALS POINTS	10 or 20 Points

80/20 preference points system for tenders for income-generating contracts with Rand value equal to or below R50 million 6.(1) The following formula must be used to calculate the points for price in respect of an invitation for tender for income-generating contracts, with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

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

Where-

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmax = Price of highest acceptable tender.

- (2) A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender.
- (3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
- (4) Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

90/10 preference point system for tenders for income-generating contracts with Rand value above R50 million 7.(1) The following formula must be used to calculate the points for price in respect of a tender for income-generating contracts, with a Rand value above R50 million, inclusive of all applicable taxes:

$$Ps = 90 \left(1 + \frac{Pt - Pmax}{X} \right)$$

Where- Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmax = Price of highest acceptable tender.

- (2) A maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender.

- (3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
- (4) Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

Total Bid Price for the project:

R _____
(to be carried over to SBD 3.2)

7 QUERIES

Queries in respect of the proposal should be directed as follows:

Compliance Queries:

Ms. Gopolang Monkwe

E-mail: Gopolang.monkwe@gauteng.gov.za

Technical Queries:

Ms. Diana Rampou

Email: diana.rampou@gauteng.gov.za

**PRICING SCHEDULE – NON-FIRM PRICES
(PURCHASES)**

NOTE: PRICE ADJUSTMENTS WILL BE ALLOWED AT THE PERIODS AND TIMES SPECIFIED IN THE BIDDING DOCUMENTS.

IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT

Name of Bidder.....	Bid number.....
Closing Time	Closing date.....

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

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)
----------	----------	-------------	--

- Required by:

- At:

- Brand and model

- Country of origin

- Does the offer comply with the specification(s)? *YES/NO

- If not to specification, indicate deviation(s)

- Period required for delivery
- Delivery: *Firm/not firm

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

*Delete if not applicable

SBD 3.2

PRICE ADJUSTMENTS

A NON-FIRM PRICES SUBJECT TO ESCALATION

1. IN CASES OF PERIOD CONTRACTS, NON FIRM PRICES WILL BE ADJUSTED (LOADED) WITH THE ASSESSED CONTRACT PRICE ADJUSTMENTS IMPLICIT IN NON FIRM PRICES WHEN CALCULATING THE COMPARATIVE PRICES
2. IN THIS CATEGORY PRICE ESCALATIONS WILL ONLY BE CONSIDERED IN TERMS OF THE FOLLOWING FORMULA:

$$Pa = (1-V)Pt \left(D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + D4 \frac{R4t}{R4o} \right) + VPt$$

Where:

Pa	=	The new escalated price to be calculated.
(1-V)Pt	=	85% of the original bid price. Note that Pt must always be the original bid price and not an escalated price.
D1, D2..	=	Each factor of the bid price eg. labour, transport, clothing, footwear, etc. The total of the various factors D1, D2...etc. must add up to 100%.
R1t, R2t.....	=	Index figure obtained from new index (depends on the number of factors used).
R1o, R2o	=	Index figure at time of bidding.
VPt	=	15% of the original bid price. This portion of the bid price remains firm i.e. it is not subject to any price escalations.

3. The following index/indices must be used to calculate your bid price:

Index..... Dated.....	Index..... Dated.....	Index..... Dated.....
Index..... Dated.....	Index..... Dated.....	Index..... Dated.....

4. FURNISH A BREAKDOWN OF YOUR PRICE IN TERMS OF ABOVE-MENTIONED FORMULA. THE TOTAL OF THE VARIOUS FACTORS MUST ADD UP TO 100%.

FACTOR (D1, D2 etc. eg. Labour, transport etc.)	PERCENTAGE OF BID PRICE

SBD 3.2**B PRICES SUBJECT TO RATE OF EXCHANGE VARIATIONS**

1. Please furnish full particulars of your financial institution, state the currencies used in the conversion of the prices of the items to South African currency, which portion of the price is subject to rate of exchange variations and the amounts remitted abroad.

PARTICULARS OF FINANCIAL INSTITUTION	ITEM NO	PRICE	CURRENCY	RATE	PORTION OF PRICE SUBJECT TO ROE	AMOUNT IN FOREIGN CURRENCY REMITTED ABROAD
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		

2. Adjustments for rate of exchange variations during the contract period will be calculated by using the average monthly exchange rates as issued by your commercial bank for the periods indicated hereunder: (Proof from bank required)

AVERAGE MONTHLY EXCHANGE RATES FOR THE PERIOD:	DATE DOCUMENTATION MUST BE SUBMITTED TO THIS OFFICE	DATE FROM WHICH NEW CALCULATED PRICES WILL BECOME EFFECTIVE	DATE UNTIL WHICH NEW CALCULATED PRICE WILL BE EFFECTIVE

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. BIDDER'S DECLARATION

- 2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest¹ in the enterprise, employed by the state? **YES/NO**

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

Full Name	Identity Number	Name of State institution

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

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

2.2.1 If so, furnish particulars:

.....
.....

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

2.3.1 If so, furnish particulars:

.....
.....

3 DECLARATION

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

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

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

the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.

- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 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

SBD 6.1

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL

PROCUREMENT REGULATIONS 2022

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

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

1. GENERAL CONDITIONS

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

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

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

(delete whichever is not applicable for this tender).

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

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

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

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

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80 or 90
SPECIFIC GOALS	20 or 10
Total points for Price and SPECIFIC GOALS	100

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

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

any manner required by the organ of state.

2. DEFINITIONS

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

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

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:

$$\begin{array}{ccc} \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \end{array}$$

$$Ps = 80 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right) \text{ or } Ps = 90 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right)$$

Where

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

4. POINTS AWARDED FOR SPECIFIC GOALS

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

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

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

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

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

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
HDI targeted – at-least 51% ownership as follows:				
Townships or rural or underdeveloped areas (The address on CIPC company registration documents will be utilized to determine the allocation)	6 points	8 points		

of points, no points will be allocated if the company is not registered under the township, Rural or Underdeveloped area)				
Women (Provide ID documents for Members / shareholder / Directors / Owner, no points will be allocated if ID's are not provided)	1 points	3 points		
Youth (Provide ID documents for Members / shareholder / Directors / Owner, no points will be allocated if ID's are not provided)	1 points	3 points		
PwD (provide a confirmation letter / certificate from medical practitioner, no points will be allocated if no confirmation letter or certificate from medical practitioner stating the permanent disability for the owner/ director / member shareholder of the company)	1 points	3 points		
Military veterans (provide a confirmation letter with a force number from department of military veterans, no points will be allocated if no confirmation letter or certificate from department of military veterans stating the membership of the owner/ director / member shareholder of the company)	1 points	3 points		

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
- ☐ One-person business/sole propriety
- ☐ Close corporation
- ☐ Public Company
- ☐ Personal Liability Company
- ☐ (Pty) Limited
- ☐ Non-Profit Company
- ☐ State Owned Company

[TICK APPLICABLE BOX]

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as

indicated in paragraph 1 of this form;

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

.....	
SIGNATURE(S) OF TENDERER(S)	
SURNAME AND NAME:	
DATE:	
ADDRESS:	
	

Annexure A

GOVERNMENT PROCUREMENT GENERAL CONDITIONS OF CONTRACT

NOTES

The purpose of this document is to:

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

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

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

TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Contract amendments
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Dumping and countervailing duties
25. Force Majeure
26. Termination for insolvency
27. Settlement of disputes
28. Limitation of liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. National Industrial Participation Programme (NIPP)

General Conditions of Contract

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

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

- 1.25 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.
- 2. Application**
- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.
- 3. General**
- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za
- 4. Standards**
- 4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.
- 5. Use of**
- 5.1 The supplier shall not, without the purchaser’s prior written consent, **contract** disclose the contract, or any provision thereof, or any specification, **documents** plan, drawing, pattern, sample, or information furnished by or on **and** behalf of the purchaser in connection therewith, to any person other **information;** than a person employed by the supplier in the performance of the **inspection.** contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The supplier shall not, without the purchaser’s prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier’s performance under the contract if so required by the purchaser.
- 5.4 The supplier shall permit the purchaser to inspect the supplier’s records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.
- 6. Patent rights**
- 6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.
- 7. Performance**
- 7.1 Within thirty (30) days of receipt of the notification of contract award,

security the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

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

8. Inspections, tests and analyses 8.1 All pre-bidding testing will be for the account of the bidder.

8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.

8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.

8.7 Any contract supplies may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith

substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

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

9. Packing 9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

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

10.2 Documents to be submitted by the supplier are specified in SCC.

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

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

13. Incidental 13.1 The supplier may be required to provide any or all of the following **services** services, including additional services, if any, specified in SCC:

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

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

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

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

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

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

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

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

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. Payment 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.

- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.
- 17. Prices** 17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.
- 18. Contract** 18.1 No variation in or modification of the terms of the contract shall be **amendments** made except by written amendment signed by the parties concerned.
- 19. Assignment** 19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.
- 20. Subcontracts** 20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.
- 21. Delays in the** 21.1 Delivery of the goods and performance of services shall be made by **supplier's** the supplier in accordance with the time schedule prescribed by the **performance** purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.
- 21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an

extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

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

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

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

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

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

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

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

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

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

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

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

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

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

terms of the contract or any other contract or any other amount which may be due to him

25. Force 25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the **Majeure** 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 26.1 The purchaser may at any time terminate the contract by giving written **for insolvency** 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 27.1 If any dispute or difference of any kind whatsoever arises between the **Disputes** purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

27.5 Notwithstanding any reference to mediation and/or court proceedings herein,

(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and (b) the purchaser shall pay the supplier any monies due the supplier.

28. Limitation of 28.1 Except in cases of criminal negligence or willful misconduct, and in **liability** 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,

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		provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and
		(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
29. Governing language	29.1	The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
30. Applicable law	30.1	The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
31. Notices	31.1	Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
	31.2	The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
32. Taxes and duties	32.1	A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
	32.2	A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
	32.3	No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
33. Industrial Participation Programme	National (NIP)	33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.