

BID NO: 005-2023/2024

PROVISION OF INTERNAL AUDIT SERVICES

Issued by:

Construction Education and Training Authority: Supply Chain Management Unit
scmtenders@ceta.co.za

Full Name of Bidding/Tendering Entity: _____

Contact Person: _____

Tel Number: _____

Bidder's Authorised Signatory:

Initials and Surname: _____

Signature: _____

RFP NUMBER:	BID NO: 005- 2023/2024
DESCRIPTION:	PROVISION OF INTERNAL AUDIT SERVICES
ADVERT / PUBLISH DATE:	30 November 2023
CLOSING DATE:	22 January 2024
CLOSING TIME:	11h00
VALIDITY PERIOD	120 days from the closing date
PREFERENCE POINT SYSTEM	80/20
BRIEFING SESSION	None
BID RESPONSES MUST BE HAND DELIVERED TO:	CETA Head Office 52 14 th Road Noordwyk Midrand 1687
ATTENTION:	Supply Chain Management – Bids
<p>NB: Bidders must ensure that they sign the tender register at the CETA Head Office Reception when delivering their bids responses. Bidders who will use Courier companies are to ensure that the Courier company writes the name of the bidding company on the tender register at CETA H/O Reception. Submissions not registered on the tender register will be disqualified. The closing time is as per the clock displayed at the CETA Head Office Reception.</p> <p>The CETA reserves the right not to appoint or to cancel this tender at any time as circumstances dictates.</p> <p>It should be noted that the award may not necessarily be to the lowest bidder; and that cost effectiveness does not equal the lowest price quote.</p>	

1. COMPULSORY DOCUMENTS – FOR THE BIDDER

Please note that failure to submit the following documents and/or proof will lead to immediate disqualification from BID evaluation process:

1.1 Proof of registration with the National Treasury Central Supplier Database (CSD).

1.2 Proof of bidder's company professional registration with a recognized professional body; in this case Independent Regulatory Board for Auditors (IRBA) or Institute of Internal Auditors South Africa (IIA-SA).

2. SPECIAL BID CONDITIONS

2.1 BID AWARD

- Bidders are required to submit proof of registration with CSD, this Bid will only be awarded to a bidder that is registered with CSD at the time of tender closing date and time.
- The CSD proof of registration will be used by CETA to verify the bidder's tax compliant status at the time of Bid award.

2.2 CONSORTIUMS AND JOINT VENTURES

- No consortiums or JVs will be allowed for this Bid.

2.3 FRAUD AND CORRUPTION

- The Institution will not tolerate fraudulent or corrupt activities, whether internal or external to the Institution, and will vigorously pursue and prosecute any parties, by all legal means available, which engage in such practices or attempt to do so.
- All service providers are to take note of the implications of contravening the Prevention and Combating of Corrupt Activities Act, Act No. 12 of 2004 and any other Acts applicable.
- Stakeholders are encouraged to report any fraudulent, corrupt and/or unethical activities to the CETA via the anonymous CETA Ethics & Fraud Hotline. Disclosures can be reported 24 hours a day, 7 days a week, 365 days a year on any of the following:

Toll-free telephone number:	0800 053 927
WhatsApp number:	0860 004 004
Secure email address:	ceta@behonest.co.za
Online and chat:	www.behonest.co.za

3. SBD DOCUMENTS

Please note that failure to attach the following documents will result in the forfeiture of preference points:

3.1 Completed and signed:

- SBD 1,
- SBD 4,
- SBD 6.1,
- SBD 7.2, and
- GCC.

4. OTHER REQUIRED DOCUMENTS

Please note that failure to attach the following documents will result in the forfeiture of preference points:

4.1 EMEs:

Sworn affidavit confirming their annual total revenue of R10 million or less and level of black ownership or a B-BBEE level verification certificate indicating full financial year-end.

4.2 QSEs:

Sworn affidavit confirming their annual total revenue of between R10 million and R50 million and level of black ownership or B-BBEE level verification certificate indicating full financial year-end.

4.3 Bidders other than EMEs and QSEs:

Original and valid B-BBEE status level verification certificate verified by a South African National Accreditation System (SANAS) accredited verification agency, or a certified copy thereof.

5. SPECIFIC GOALS

Bidders must submit proof of documentation required in terms of this Bid to claim points for specific goals.

Please double-check that you have attached all the above documents before submitting your bid document.

6. BID DOCUMENTS CHECK LIST:

The contents of the bid document must be as follows, and numbered as per the numbering below, with each schedule punched, placed in a file, and separated from the next schedule with a file divider.

Please complete the checklist below to verify your submission of the relevant documents:

Schedules	Description	Submitted – Indicate YES or NO
Schedule 1	Proof of registration with National Treasury Central Supplier Database (CSD)	
Schedule 2	Proof of bidder's professional registration with the IRBA or IIA-SA.	
Schedule 3	Completed and signed SBD forms	
Schedule 4	Bank stamped letter confirming banking details (not older than 3 months from the submission due date)	
Schedule 5	Testimonial or Reference Letters	
Schedule 6	Copies of academic qualifications and membership with the IIA and other relevant Institute's like CISA, etc.; and CVs of proposed team for this bid	
Schedule 7	Methodology and project delivery approach for the CETA assignments	
Schedule 8	Pricing Schedule and B-BBEE documents	

7. BID SUBMISSION REQUIREMENT

Bidders are required to submit **one original hard copy** with all returnable documents as included in the bound printed pack.

TERMS OF REFERENCE

APPOINTMENT OF AN OUTSOURCED INTERNAL AUDIT SERVICE PROVIDER

1. INTRODUCTION

- 1.1 The Construction Education and Training Authority (CETA) is a PFMA Schedule 3A Public Entity established in terms of the Skills Development Act, No.97 of 1998. The CETA exists to provide skills development services by implementing the objectives of the National Skills Development Plan 2030 (NSDP 2030) and to ensure that people obtain the critical or scarce skills that are needed to build the capacity of the construction sector to become economically sustainable and globally competitive. The CETA's mandate is to promote and ensure quality skills provisioning, education and training in the construction sector.
- 1.2 The CETA fund a number of learning programmes including skills programmes, learnerships, apprenticeships and internships, including bursaries at various public education and training institutions such as Universities, Universities of Technology and TVET Colleges.

2. BACKGROUND OF THE CETA INTERNAL AUDIT FUNCTION

- 2.1 CETA has outsourced the internal audit function, it reports to the Chief Executive Officer (CEO) administratively and functionally to the Audit and Risk Committee (ARC).
- 2.2 The internal audit activity is established by the Accounting Authority and its activities and responsibilities are defined in the Internal Audit Charter and its oversight responsibility delegated to the Audit and Risk Committee.
- 2.3 In terms of the Public Finance Management Act, 1999 (PFMA), CETA should have an effective internal audit function, which should also comply with the Institute of Internal Auditors (IIA) standards.
- 2.4 The internal audit function should assist the Accounting Authority in maintaining effective controls by evaluating such controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement thereof. The controls environment, subject to evaluation of other areas, should encompass the following:
 - The information systems environment
 - The reliability and integrity of financial and operational information
 - The effectiveness of operations
 - Compliance with policies, regulations and other operations prescripts
 - The safeguarding of assets; and
 - The economical and efficient use of resources

- 2.5 CETA thus intends to appoint a suitably qualified and experience internal audit service provider who will take responsibility for planning, execution and reporting to the Audit and Risk Committee and ensure that the requirements of Section 51(1) (a) (ii) of the PFMA, as well as Treasury regulation 27.2.1 to 27.2.11 and all other relevant regulations are complied with by the CETA.
- 2.6 The Engagement Director of the Outsourced Internal Audit service provider will discharge the functions and the role of Chief Audit Executive (CAE) and should be the custodian of internal audit function, with the responsibility to oversee, manage, inform and take responsibility and accountability for the effective functioning of the internal audit activity.

3. SCOPE OF WORK

The successful bidder will be expected to perform the following services:

- 3.1 Financial management cycle audits.
- 3.2 Quarterly and bi-annual review of Generally Recognised Accounting Practice (GRAP) compliant financial reports and Statements.
- 3.3 Compliance audits.
- 3.4 Organisational Quarterly Performance Information Reports Review audits.
- 3.5 Quarterly and annual audit of performance reports to be submitted by CETA to Department of Higher Education and Training (DHET).
- 3.6 Information Technology (IT) and Application Systems audits.
- 3.7 Audit of human resources practices such as performance management, recruitment, and appointments, leave management and HRM&D, legislative compliance, etc. This also include auditing the Human Resource (HR) organisational performance management system and its implementation for driving desired performance outcomes.
- 3.8 Quarterly validation of commitment registers in terms of validity of balances on contracts, validity of contract to be still in place and discretionary contract management adequacy.
- 3.9 Mandatory Grants processes audits.
- 3.10 Discretionary and Grants processes and projects management audits.
- 3.11 Review of risk management and treatment processes.
- 3.12 Review of CETA compliance with legislative frameworks and recommendations.
- 3.13 Corporate Governance Review.
- 3.14 Ad hoc projects - Investigative (forensic) audit as and when required.

- 3.15 Quality assurance competitive bidding process prior to award, as and when requested.
- 3.16 Provide skills transfer to an internal resource whom the CETA may recommend to be trained in internal audit services.
- 3.17 Participate in the organisations combined assurance practices and activities.
- 3.18 The scope of internal audit work entails testing and evaluating the adequacy and effectiveness of CETA's systems of internal control. This includes:
 - 3.18.1 Audit the risk registers of CETA on a quarterly basis.
 - 3.18.2 Tabling internal control assessment reports to the Board and its Committees on quarterly basis.
 - 3.18.3 Establishing and submit for approval by ARC a three-year rolling strategy and a risk- based annual Internal Audit Operational Plan.
 - 3.18.4 Auditing the reliability and integrity of financial and operating information, and the means to identify, measure, classify and report such information.
 - 3.18.5 Auditing the systems established by management to ensure compliance with policies, plans, procedures laws and regulations that could have significant impact on operations and determine whether CETA is in complying.
 - 3.18.6 Auditing the means for safeguarding assets and verifying the existence of assets.
 - 3.18.7 Auditing the adequacy and effectiveness of internal controls.
 - 3.18.8 Appraising the economy and efficiency with which resources are employed and identifying opportunities to improve operating performance.
 - 3.18.9 Auditing the operations to ascertain whether the results are consistent with established objectives or goals and whether operations are being carried out as planned.
 - 3.18.10 Liaise with external auditors on CETA's audits, whenever necessary.

4. TEAM REQUIREMENTS AND CAPACITY

- 4.1 Capacity to deliver and attend to matters promptly and as per reasonable timelines given by CETA is imperative. Lack of proven capacity will attract lower functionality points for the bidder.
- 4.2 The firm undertakes to maintain properly experienced and competent team for delivery of the CETA internal audit services throughout the contract period.
- 4.3 Any changes to the initially proposed team as per bid response, will require written approval from the CETA once appointed. The levels of teams to remain as per bid response; however, they can be improved upwards and be agreed to as such in writing.

- 4.4 Team members whose work requires accreditations or certain certifications; should ensure their memberships and accreditations or certifications are active and valid throughout the currency of the allocated assignment and the contract should a bidder be successful.
- 4.5 CETA support the labour laws of the Republic and subscribes to transformational goals preference goals of ensuring localization. In this sense, it would be expected of the successful bidder to resource the team with majority of bona-fide South Africans. Non-South Africans would only be allowed if they meet the critical and scarce skills not available in the Republic and within thresholds as prescribed by the Departments of Home Affairs and Employment and Labour Regulations.
- 4.6 Team members and hourly rates charged on the assignment are to be the same as was proposed on the bid submitted on appointment under this bid.

5. OTHER REQUIREMENTS

Assignments are to be performed in accordance with the Institute of Internal Audit's Standards for the Professional Practice of Internal Auditing. Such work shall further be subject to an external and independent quality assurance review as and when required by CETA.

- 5.1. All audit reports and working papers will be the property of CETA and are to be deposited in a dedicated drive at CETA at the conclusion of each audit assignment.
- 5.2. The performance of each assignment shall be in accordance with the approved annual internal audit plan; with the provider to ensure achievement of at least 90% against the annual plan.
- 5.3. In carrying out the work, the successful service provider must ensure that their staff maintain their objectivity by remaining independent of the activities they audit. The team members to remain active and current members of the IIA-SA.
- 5.4. On a mutually agreed basis, the responsible partner/ director shall meet with the Chairperson of the Audit and Risk Committee, Chief Executive Officer, and management to report on progress of the work.
- 5.5. For planning and conducting its work the internal auditor should seek to identify material defects in the internal controls, which might result in possible malpractices. Any material defects must be reported immediately to the Audit and Risk Committee.

- 5.6. The successful bidder may be required to attend strategic workshops as and when required from time to time. The cost of attendance will be for the account of CETA.
- 5.7. The successful bidder will be required to have adequate professional indemnity as well liability insurance in place (upon parties contracting).
- 5.8. To support the appointment process, potential service providers are required to provide the following documents:
- 5.8.1. Company profile indicating assurance services being provided and key clients serviced in that regard.
- 5.8.2. CVs and certified qualifications (inclusive of relevant certificates and individual ID's) of proposed team from the engagement director to the junior and specialist team members.
- 5.8.3. Provide individual proof of accreditation for team members and the firm by IRBA, IIA-SA, SAICA or ISACA.
- 5.8.4. A detailed list of the proposed team to support the CETA in a listing as below.

Name and Surname	Role/Responsibilities	Qualifications	Professional Registration	Experience (number of years)

6. KEY PERFORMANCE INDICATORS

The following are key performance indicators the IIA bidder is to be aware of, amongst the others:

Key Responsibilities	Activities	Results Indicators (Including all applicable evidence to substantiate against all key responsibilities)
Risk based assurance audits	<p>Audits on all the CETA activities as determined by the approved Annual Internal Audit Plan according to the following auditing guidelines:</p> <ul style="list-style-type: none"> • Planning the audit • Examining, monitoring, and evaluating supporting information • Communicating the audit results with recommended actions to address internal controls weaknesses if any • Follow up actions by management on findings and recommendations 	To advise management on compliance with regulations, policies, and best practices as well as the status of internal controls within CETA
Fraud prevention, detection, and action	Assist with investigations in terms of the entity's Fraud, Prevention, Detection and Response Plan.	Reduced fraud risks and opportunities in the entity
Ad hoc audits	Audit issues as and when required be investigated as delegated by the Accounting Authority, Executive Officer and or Audit and Risk Committee	To report findings to Audit and Risk Committee to determine whether further actions are required
Audit of Predetermined Objectives	Executing audits in terms of the approved audit plan	To determine whether the strategic documents and plans

		are correctly aligned and objectives and targets implementation and that targets are being achieved; in line with the CETA mandate
Reporting	Reporting on all the activities of the Internal Audit Function to the Audit and Risk Committee, <ul style="list-style-type: none"> • Meetings on a regular basis • Evaluation of outputs and value-add by IA function 	Management and the Audit and Risk Committee evaluation of the efficiency and effectiveness of the Internal Audit Function. The Board being furnished with correct and up to date reports on entity's internal control status, etc.
Advisory services	Verbal and written advice	Enhance the quality of internal audit and governance at CETA

7. ABSENCE OF OBLIGATION AND CONFIDENTIALITY

- 7.1. No legal or other obligation shall arise between the successful bidder and the CETA unless/until both parties have signed a formal contract or Service Level Agreement in place.
- 7.2. The contract delivery site is at CETA head office.

8. WORKMEN AND SUPERVISION ON SITE

- 8.1. The service provider shall be held responsible for the conduct of his employees and the conduct of his sub-contractor's employees for the full duration of the contract.
- 8.2. Adherence to strict requirements of the Professional Code of Conduct is a must and the firm to be bound by the Non-Disclosure and Confidentiality Agreements provisions on appointment.

9. PROJECT DURATION

The Internal Audit Services are required for a duration of a period not exceeding three (3) years from date of appointment.

10. DUE DILIGENCE

The recommended bidders will be subjected to a due diligence process that will include the following:

- 1.1 Visiting the bidders' offices to verify. Submission of a copy of signed lease agreement for the offices/proof of ownership documents
- 1.2 Submission of a copy of two (2) years audited financial statements to establish financial capacity and proof of professional indemnity insurance cover, etc.
- 1.3 Bidder completing and signing the due diligence report that will be sent by Head of SCM at CETA.
- 1.4 Submission and verification of contract of employment for team members included in the table to paragraph 5.8.4.

11. PRICING SCHEDULE

Description	QTY/hours	Rate per hour (Exc. VAT)	Total rate per hour (Inc. VAT)	Total cost
Director				
Manager				
Specialist				
Supervisor				
Auditor				
Trainee				
Traveling (distance per KMs and rate)				
Disbursements				
Total Audit Fee Year 1 (incl. VAT)				
Total Audit Fee Year 2 - Escalation (incl. VAT)				
Total Audit Fee Year 3 - Escalation (incl. VAT)				
Total cost for the duration of the project (Inc. VAT)				

NB: The estimated total hours for the whole project (3 years) are expected to be no more than 4200 hours.

NB: Some of the functions of the CETA are de-centralised and CETA has regional offices in 9 provinces.

NB: All resources on the pricing schedule must be quoted for. Submission of an incomplete pricing

schedule may lead to immediate disqualification.

NB: Where the bidder is a sole provider of the services in the firm, they are also expected to quote for all levels above.

NB: The rates quoted would be assessed against the SAICA/AGSA rates for the 2023 financial year per each team member and levels.

NB: The total summed up rate will be used for evaluation purposes and will not result in total contract amount.

12. EVALUATION CRITERIA

Criterion 1 – Compulsory Requirements

Bidders will first be evaluated in terms of the gatekeeper/minimum requirements on page 2 of this document. Bidders who do not meet all the requirements will be disqualified. Bidders who meet all the requirements will be further evaluated on functionality.

Criterion 2 – Functionality

Functionality is worth 100 points. The minimum threshold is 70 points. Applicants who score less than 70 points on functionality will therefore be disqualified. Those who score 70 points or more will be further evaluated on presentations. The functionality evaluation is broken down as follows:

Total Functionality Points	Total – 100 points
Company's Quality of Service	Total – 10 points
<p>Bidders are required to submit service testimonials in providing internal audit services.</p> <p>Provide a written testimonial for services rendered in the past 3years, the testimonial must contain at least the following information:</p> <ul style="list-style-type: none"> • Client's letterhead. • Client's name and contactable details of referee. • Contract description and services performed. • Contract period (start and end dates). • The evaluation of services provided, and • Referee's signature. 	
Quality of previous internal audit work done:	10 points

<ul style="list-style-type: none"> Submission of 5 more qualifying testimonial letters - 10 points Submission of 2 to 4 qualifying testimonial letters - 5 points Submission of less than 2 qualifying testimonial letters - 0 points 	
Company Experience in Government and/or Public Entities	Total – 5 points
Bidders are required to submit a list of contactable clients in the public sector. The list must include name of clients, contact details, details of services provided, the year and duration of assignment.	
Company experience in dealing with government and/or public entities. Points Allocation <ul style="list-style-type: none"> At least 5 or more internal audit assignments - 5 points At least 2 to 4 internal audit assignments - 2 points Less than 2 internal audit assignments - 0 points 	5 points
Methodology and Project Approach	Total – 50 points
Bidders are required to submit a detailed proposal demonstrating understanding of the scope and ability for provision of the internal audit assignments. The bidders must indicate in methodology and assignment approach, the understanding of internal audit function especially in a regulated environment:	
Overall internal audit methodology and understanding of the following audits: <ul style="list-style-type: none"> Regularity Audit Compliance Audits IT Audits Performance Information Audits Commitment Register Audits Discretionary Grant Process Audits Points Allocation <ul style="list-style-type: none"> Proposal shows an in-depth understanding of the above audits, demonstrates an ability to deliver effectively on all the above audit areas and provides value add, cost saving, innovation, and efficiency. - 15 points Proposal shows an in-depth understanding of the above audits, demonstrates an ability to deliver effectively on all the above audit areas with no value add, cost saving, innovation, and efficiency. - 10 points Proposal shows poor understanding of the above audit areas and demonstrates no ability to deliver effectively on all the above. - 0 points 	15 points

<p>Ability and capacity to provide other assurance services as and required by the CETA:</p> <ul style="list-style-type: none"> • Ad hoc forensic investigative audits • Quality assurance of competitive bidding processes • Combined assurance services <p>Points Allocation</p> <ul style="list-style-type: none"> • Proposal shows adequate ability to deliver on all the above assurance services and provides value add, cost saving, innovation, and efficiency. - 10 points • Proposal shows adequate ability to deliver on all the above assurance services with no value add, cost saving, innovation, and efficiency. - 5 points • Proposal shows no ability to deliver on the above assurance services. - 0 points 	<p>10 points</p>
<p>Work plan that demonstrates that the bidder has an effective and well-practiced project management process and technology capabilities to audit both physically and remotely, covering:</p> <ul style="list-style-type: none"> • Resource planning • Technical capability • Project management processes • Review and reporting process • Dispute resolution processes • Audit follow up and escalation procedures. • Internal audit client protocols • Examples of reporting templates <p>Points Allocation</p> <ul style="list-style-type: none"> • Proposal shows adequate ability to deliver on all the above assurance services and provides value add, cost saving, innovation, and efficiency. - 10 points • Proposal shows adequate ability to deliver on all the above assurance services with no value add, cost saving, innovation, and efficiency. - 5 points 	<p>10 points</p>

<ul style="list-style-type: none"> Proposal shows no ability to deliver on all the above assurance services. - 0 points 	
<p>Quality Control Certificate - Bidders are required to submit a latest quality control pass certificate.</p> <p>Points Allocation</p> <ul style="list-style-type: none"> Rated as "Fully conforms" - 5 points. Rated as "Partially conforms" - 3 points. Rated as "Does not conform" - 0 points. 	5 points
<p>Other documentations – Bidders are required to submit the following draft documents:</p> <ul style="list-style-type: none"> Quality (ISQC) manual - 5 points Draft proposed 3 year rolling plan in line with the scope of work as per the TORs - 5 points 	10 points
Professional Registrations, Qualifications and Experience of the team proposed included in the table under paragraph 5.8.4 above.	Total - 35 points
Bidders are required to provide membership or registration certificates, CVs and certified qualifications of the individuals allocated to the CETA account.	
<p>Proposed following team members must submit valid evidence of their registration with a professional body (IIA\CIA, IRBA, SAICA or ISACA) and detailed CV's clearly indicating years of experience.</p> <p>Proposed team director</p> <ul style="list-style-type: none"> Valid proof of registration (IIA\CIA, IRBA or SAICA) and average post articles experience of 10 years - 5 points <p>Proposed audit manager</p> <ul style="list-style-type: none"> Valid proof of registration (IIA\CIA, IRBA or SAICA) and average post articles experience of 5 years - 5 points <p>Proposed IT and/or forensic audit specialist</p> <ul style="list-style-type: none"> Valid proof of registration (ISACA) and average post articles experience of 5 years - 5 points 	15 points
<p>Bidders are required to provide a detailed CVs of the proposed team experience relevant to assist with the provision of the required services.</p> <p>Collective Team Qualifications (excluding team lead, audit manager and IT specialist)</p> <ul style="list-style-type: none"> All proposed team members must have at least NQF level 7 qualifications - 10 points 	20 points

<ul style="list-style-type: none"> Not all team members have an NQF level 7 qualifications - 0 points <p>Collective Team Experience (excluding team lead, audit manager and IT specialist)</p> <ul style="list-style-type: none"> The average number of team member experience must have 3 years or more relevant experience - 10 points. The average number of team member experience must have 2-4 years or relevant experience - 5 points. Proposed team members have less than 2 years relevant experience - 0 point 	
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Criterion 3 - Presentations

Bidders who score at least 70 points or more on functionality above will be further evaluated on presentations. Presentation is worth 20 points and bidders who score at least 15 or more points on presentation will be further evaluated on price and preferential procurement points.

Description/Criterion	Points scored (Total Points = 20)
<p>Bidder's ability to service the CETA as per the methodology and approach provided for the project.</p> <ul style="list-style-type: none"> Bidder demonstrates the understanding of the CETA environment through their methodology and approach - 5 points <ul style="list-style-type: none"> Bidder has an in-depth understanding of the methodology and approach as demonstrated through examples, relevant scenarios and responses to questions where applicable - 3 points Bidder has an understanding of the CETA and its mandate - 1 point 	

<ul style="list-style-type: none"> - Bidder is able to show comprehension of the legislative mandate governing the CETA - 1 point • Bidder demonstrates the ability to apply their methodology and approach to the CETA environment – 5 points: <ul style="list-style-type: none"> - Bidder demonstrates the ability to improve the control environment by addressing previous external audit findings through their methodology and approach - 2 points - Bidder demonstrates the ability to address the key risk areas identified in the strategic planning documents - 2 points - Bidder demonstrates a comprehensive understanding of the internal audit function - 1 point • Bidder's ability to implement the project within the legislated timeframes (Compliance Calendar for PFMA Schedule 3A Public Entities) - 5 points <ul style="list-style-type: none"> - Bidder demonstrates knowledge of PFMA Schedule 3A of Public Entities compliance requirements - 2.5 points - Bidder presents their planning and execution procedures to be applied in order to comply with the reporting timeframes - 2.5 points • Ability to manage and maintain effective client relations - 5 points <ul style="list-style-type: none"> - Bidder demonstrates an ability to manage and resolve conflict/disputes (inclusive of escalations procedure) - 2.5 points 	
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- Value added client service to be provided to the CETA - 2.5 points	
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Criterion 4 – Price and specific goals evaluation

Bidders who score 15 points or more on presentation, will be further evaluated in terms of the price and specific preferential goals allocated points for this tender. A bidder that scores highest points for price and preferential procurement will be recommended for appointment. As per the table below, price will be evaluated over 80 points and preference points over 20 points:

SPECIFIC PREFERENTIAL GOALS FOR THIS BID WILL AS FOLLOWS

Preference Specific goals for the bid and points claimed are indicated per the table below:

The specific goals allocated points	Criteria	Number of points allocated (80/20 system)	Number of points claimed (80/20 system) (To be completed by the tenderer)
B-BBEE contribution level score of the bidder	B-BBEE Level 1	10	
	B-BBEE Level 2	8	
	B-BBEE Level 3	6	
	B-BBEE Level 4	4	
	B-BBEE Level 5-6	2	
	B-BBEE Level 7-8	1	
	Non-compliant contributor	0	
CETA transformation strategic position to empower designated groups in line with the	100% - 51% Women Ownership	5	
	51% - 35% Women Ownership	3	

Transformation Policy	35% - 20% Women Ownership	1	
	100% - 51% Youth Ownership	5	
	51% - 35% Youth Ownership	3	
	35% - 20% Youth Ownership	1	

NOTICE AND SIGN-OFF

Whilst CETA is issuing this invitation in good faith, it reserves the right to cancel or delay the selection process at any time without providing reasons therefore, and reserves the right not to select any of the respondents to this invitation.

User Unit: BID NO: 005- 2023/2024 terms of reference were approved as follows:

Name:.....Signature:.....Date:.....

CFO: BID NO: 005- 2023/2024 terms of reference were approved as follows:

Name:.....Signature:.....Date:.....

ADMINISTRATIVE ENQUIRIES

ANY ADMINISTRATIVE ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:

Department: Supply Chain Management Unit

E-mail: scmtenders@ceta.co.za

ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:

CEO's Office for Ms Nokwanda Dlamini attention on nokwandad@ceta.co.za and Tel: 011 265 5901

The bids are to be delivered at: CETA Head Office in Gauteng, 52 on 14th Road, Noordwyk, Midrand, 1687.

1. POPI CONSENT FORM

CONSENT TO PROCESS PERSONAL INFORMATION IN TERMS OF THE PROTECTION OF PERSONAL INFORMATION ACT, ACT NO. 4 OF 2013 (POPIA)

The purpose of the POPIA is to protect personal information of individuals and businesses and to give effect to their right of privacy as provided for in the Constitution. By signing this form, you consent to your personal information to be processed by the CETA for administrative and reporting purposes*.

I a natural person "herein referred to as the Data Subject" with ID No:..... hereby give my consent to the CETA "herein referred to as the Responsible Party" to collect, process and distribute my personal information where the CETA is legally required to do so.

I understand my right to privacy and the right to have my personal information processed in accordance with the conditions for the lawful processing of personal information.

I understand the purposes for which my personal information is required and for which it will be used and consent to third parties accessing my personal information and to the CETA sharing my personal information strictly for reporting purposes.

I understand that, should I refuse to provide the CETA with the required consent and/ or information, the CETA will may be limited in its operations.

I declare that all my personal information supplied to the CETA is accurate, up to date, not misleading and that it is complete in all respects and will be held and/ or stored securely for the purpose for which it was collected and that I will immediately advise the CETA of any changes to my Personal Information should any of these details change.

I also understand that I have the right to request that my personal information be corrected or deleted, if it is inaccurate, irrelevant, excessive, out of date, incomplete, misleading, or obtained unlawfully or that the personal information or record be destroyed or deleted if the responsible party is no longer authorised to retain it.

Signed at this day of20.....

Signature of data subject/ designated person

.....
Name /Department of Responsible Party

.....
Signature Date

2. STANDARD BIDDING DOCUMENTS (SBD)

SBD 1

PART A

INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (CETA)					
BID NUMBER:	BID NO: 005-2023/2024	CLOSING DATE:	22 January 2024	CLOSING TIME:	11H00
DESCRIPTION	APPOINTMENT OF INTERNAL AUDIT SERVICE PROVIDER				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).					
BID RESPONSE DOCUMENTS TO BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
CETA HEAD OFFICE					
52 ON 14TH ROAD					
NOORDWYK, MIDRAND, 1687					
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					
		TCS PIN:		OR	CSD No:
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]		<input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT <input type="checkbox"/> Yes <input type="checkbox"/> No	
IF YES, WHO WAS THE CERTIFICATE ISSUED BY?					
AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA) AND NAME THE APPLICABLE IN THE TICK BOX		<input type="checkbox"/>	AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)		
		<input type="checkbox"/>	A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS)		
		<input type="checkbox"/>	A REGISTERED AUDITOR		
		NAME:			

[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT(FOR EMEs& QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]			
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS/ SERVICES/ WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ANSWER PART B:3 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)	
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:	
DEPARTMENT/ PUBLIC ENTITY		CONTACT PERSON	
CONTACT PERSON		TELEPHONE NUMBER	
TELEPHONE NUMBER		FACSIMILE NUMBER	
FACSIMILE NUMBER		E-MAIL ADDRESS	
E-MAIL ADDRESS			

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 ONLINE
1.3. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD 7)
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 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.

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

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

2.2.1 If so, furnish particulars:

.....

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.

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

- 2.3.1 If so, furnish particulars:

.....
.....

3 DECLARATION

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

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

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.

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 80/20 preference point system.

b) The 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
SPECIFIC GOALS	20
Total points for Price and SPECIFIC GOALS	100

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

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

2. DEFINITIONS

- 2.1. "Acceptable bid or acceptable quotation" means a bid or quotation which in all respects complies with the specifications and Conditions of Tender as set out in the tender document.
- 2.2. "Black people" means Africans, Coloureds and Indians (refer to the B-BBEE Act for more details)
- 2.3. "B-BBEE" means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- 2.4. "B-BBEE status level of contributor" means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- 2.5. "bid" means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through and advertised competitive bidding processes or proposals;
- 2.6. "Broad-Based Black Economic Empowerment Act" means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- 2.7. "Control" means the possession and exercise of legal authority and power to manage the assets, goodwill and daily operations of a business and the active and continuous exercise of appropriate managerial authority and power in determining the policies and directing the operations of the business.
- 2.8. "Disability" means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being AND is in possession of a proof of disability.
- 2.9. "EME" means an Exempted Micro Enterprise in terms of the relevant code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- 2.10. "Locality" means that the enterprise has either its head office or an operational office located in a township or rural area AND they are in possession of a municipal account, not older than three months for that location.
- 2.11. "military veteran" means has the meaning assigned to it in Section 1 of the Military Veterans Act, 2011 (Act No. 18 of 2011).
- 2.12. "Ownership" of an enterprise has the meaning defined in the Ownership Element of the B-BBEE Amendment Act of 2013 and the codes of good practice. This includes exercisable

voting rights in the enterprise; economic interest in the enterprise (including Employee Share Ownership Programmes, Broad-based Ownership Schemes).

- 2.13. **"price"** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- 2.14. **"Proof of B-BBEE status level of contributor"** means:
 - a) B-BBEE Status level certificate issued by an authorized body or person (such as a SANAS verification agent);
 - b) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
 - c) A CIPC B-BBEE certificate; or
 - d) Any other requirement prescribed in terms of the B-BBEE Act.
- 2.15. **"Proof of Disability"** means:
 - a) A completed SARS "Confirmation of Diagnosis of Disability" form endorsed by a duly registered medical practitioner which will remain valid for 10 years where the disability is of a permanent nature;
 - b) A medical report and functional assessment report confirming the disability; or
 - c) A SASSA disability grant.
- 2.16. **"Proof of Locality"** means:
 - a) A municipal rates invoice in the name of the company submitting the quotation that has been issued within the last three months;
 - b) An affidavit or equivalent from an authorised traditional leaders or local councillor in regions where municipal rates invoices are not available, showing the township name and ERF number or physical address;
 - c) A signed lease with a property owner located in that municipality/township (CETA may request a recent statement from the landlord);
 - d) A utilities rates statement (examples, Eskom or Telkom fixed line service) showing the physical address and name of the company or director's name
- 2.17. **"Proof of Military Veteran"** means a:
 - a) Military veteran certificate as issued by the Department of Military Veterans in the name of the individual; or
 - b) Military veteran certificate as issued by the Department of Military Veterans in the name of the company.
- 2.18. **"Proof of Ownership"** means:
 - a) The % ownership indicated on the Central Supplier Database. The CSD integrates with the systems at Home Affairs (demographic information); Companies and Intellectual Property Commission (CIPC) (for company information such as shareholding); and other databases (such as the banks).
- 2.19. **"QSE"** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- 2.20. **"Rand value"** means the total estimated value of a contract in Rand, calculated at the time of the tender invitation.
- 2.21. **"Specific Goals"** means those goals as contemplated in section 2(1)(d) of the PPPFA which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994
- 2.22. **"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

- 2.23. **"the Act"** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).
- 2.24. **"township"** has no formal definition but is commonly understood to refer to the underdeveloped, usually (but not only) urban, residential areas that during Apartheid were reserved for non-whites (Africans, Coloureds and Indians) who lived near or worked in areas that were designated 'white only' (under the ...
- 2.25. **"Youth"** means persons between the ages of 14 and 35 as defined in the National Youth Commission Act of 1996.

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:

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

Where

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

4. POINTS AWARDED FOR SPECIFIC GOALS

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

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:

CONTRACT FORM - RENDERING OF SERVICES

THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SERVICE PROVIDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SERVICE PROVIDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.

PART 1 (TO BE FILLED IN BY THE SERVICE PROVIDER)

1. I hereby undertake to supply all or any of the goods and/or works described in the attached bidding documents to CETA in accordance with the requirements and specifications stipulated in bid number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the purchaser during the validity period indicated and calculated from the closing time of bid.
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (i) Bidding documents, viz
 - Invitation to bid;
 - Tax clearance certificate;
 - Pricing schedule(s);
 - Technical Specification(s);
 - Declaration of interest;
 - Declaration of bidder's past SCM practices;
 - Certificate of Independent Bid Determination
 - Special Conditions of Contract;
 - (ii) General Conditions of Contract; and
 - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the goods and/or works specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfilment of this contract.
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM

WITNESSES

1.

2.

DATE:

.....

CONTRACT FORM - RENDERING OF SERVICES

PART 2 (TO BE FILLED IN BY THE PURCHASER- CETA)

I..... in my capacity as.....

accept your bid under reference numberdated.....for the rendering of services

indicated hereunder and/or further specified in the annexure(s).

An official order indicating service delivery instructions is forthcoming.

I undertake to make payment for the services rendered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice.

DESCRIPTION OF SERVICE	PRICE (ALL APPLICABLE TAXES INCLUDED)	COMPLETION DATE

4. I confirm that I am duly authorised to sign this contract.

SIGNED ATON.....

NAME (PRINT)

SIGNATURE

OFFICIAL STAMP

WITNESSES

1

2

DATE:

3. GENERAL CONDITIONS OF CONTRACT

GOVERNMENT PROCUREMENT

GENERAL CONDITIONS OF CONTRACT July 2010

NOTES

The purpose of this document is to:

- (i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and

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
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11. Insurance
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17. Prices
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19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
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25. Force Majeure
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27. Settlement of disputes
28. Limitation of liability
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30. Applicable law
31. Notices
32. Taxes and duties
33. National Industrial Participation Programme (NIPP)
34. Prohibition of restrictive practices

General Conditions of Contract

1. Definitions

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

establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

- 1.14 "GCC" means the General Conditions of Contract.
- 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.
- 1.23 "SCC" means the Special Conditions of Contract.
- 1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 1.25 "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

2. Application

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

special conditions shall apply.

3. General

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

4. Standards

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

5. Use of contract documents information; inspection.

and

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

6. Patent rights

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

7. Performance security

- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
 - (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the

- 7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Inspections, tests and analyses

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract supplies may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.
- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing

- 9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage.

Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

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

10. Delivery and documents

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

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

11. Insurance

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

12. Transportation

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

13. Incidental Services

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

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

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

14. Spare parts

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

- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
- (b) in the event of termination of production of the spare parts:
 - (i) Advance notification to the purchaser of the pending termination, in sufficient time

- to permit the purchaser to procure needed requirements; and
- (ii) Following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

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

16. Payment

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

17. Prices

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

18. Contract Amendments

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

19. Assignment

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

20. Subcontracts

20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this 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 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 for default

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

- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- (b) if the Supplier fails to perform any other obligation(s) under the contract; or

- (c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

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

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

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

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

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

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

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

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

24. Anti- dumping and countervailing duties and rights

24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase.

When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him

25. Force Majeure

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

26. Termination for insolvency

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

27. Settlement Disputes

- of 27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 27.5 Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
 - (b) the purchaser shall pay the supplier any monies due the supplier.
- 28.1 Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 6;

28. Limitation of Liability

- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and
- (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

29. Governing Language

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

30. Applicable Law

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

31. Notices

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

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

32. Taxes and Duties

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

33. National Industrial Participation (NIP) Programme

- 33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.

34. Prohibition of Restrictive Practices

- 34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).
- 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

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