

ANNEXURE 5

CONDITIONS OF CONTRACT

IN RESPECT OF PURCHASE OF GOODS AND SERVICES CONTRACT



prasa

PASSENGER RAIL AGENCY
OF SOUTH AFRICA

CONDITIONS OF CONTRACT

IN RESPECT OF PURCHASE OF GOODS AND SERVICES CONTRACT

CONTRACT NUMBER :
SELLER :
NATURE OF WORK : **APPOINTMENT OF A PANEL OF SERVICE PROVIDERS
FOR THE SUPPLY AND DELIVERY OF PLUMBING
MATERIALS ON AN AS AND WHEN REQUIRED BASIS
FOR A PERIOD OF 36 MONTHS IN THE KZN REGION**
LOCALITY : **KZN-DURBAN**
DATE OF ACCEPTANCE
OF TENDER :
DATE OF COMMENCEMENT :
DATE OF COMPLETION :
CONTRACT VALUE :

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1. INTERPRETATION

1.1 Construction

In this Agreement unless the context indicates to the contrary:

- 1.1.1 Clause headings and sub-headings are for convenience only and are not intended to be used in the interpretation thereof;
- 1.1.2 References to the provisions of any law shall, unless expressly stipulated otherwise, be to South African law and will, unless expressly stipulated otherwise, include the provisions of such law as amended, re-enacted or consolidated from time to time;
- 1.1.3 References to “Clauses” and “sub-Clauses” are references to the Clauses and sub-Clauses of this Agreement unless context indicates the contrary;
- 1.1.4 References to “Parties” shall include the Parties’ respective successors in title and, to the extent as would be permitted in this Agreement, their respective cessionaries and assignees;
- 1.1.5 References to a “person” shall include an individual, firm, company, corporation, juristic person, and any trust, organization, association or partnership, whether or not having separate legal personality;
- 1.1.6 References to any “Responsible Authority” or any public or professional organization shall include a reference to any of its successors or any organization or entity, which takes over its functions or responsibilities;
- 1.1.7 The Annexures to this Agreement are an integral part thereof and references to this Agreement shall include the Annexures;
- 1.1.8 Cross references to Clauses in a specific Annexure, part or section shall be a cross reference to Clauses in such Annexure, part or section unless specifically stated otherwise;
- 1.1.9 No provision or word used in this Agreement shall be interpreted to the disadvantage of either Party because that Party was responsible for or participated in the preparation or drafting of this Agreement or any part of it;
- 1.1.10 Words importing the singular shall include the plural and vice versa, and words importing either gender or the neuter shall include both genders and the neuter;
- 1.1.11 References to “this Agreement” shall include this Agreement as amended, varied, novated or substituted in writing from time to time;
- 1.1.12 References to Purchaser shall mean PRASA and vice versa;
- 1.1.13 References to any other contract or document shall include (subject to all approvals required to be given pursuant to this Agreement for any amendment or variation to or novation or substitution of such contract or document) a reference to that contract or document as amended, varied, novated or substituted from time to time;

- 1.1.14 General words preceded or followed by words such as “other” or “including” or “particularly” shall not be given a restrictive meaning because they are preceded or followed by particular examples intended to fall within the meaning of the general words;
- 1.1.15 When any number of days is prescribed in this Agreement, same shall, unless otherwise specifically stated, be reckoned exclusively of the first and inclusively of the last day;
- 1.1.16 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any Party, then notwithstanding that it is only in the definition clause, effect shall be given to it as if it were a substantive provision in the body of this Agreement;
- 1.1.17 Where words have been defined in the body of this Agreement, such words shall, unless otherwise required by the context, have the meanings so assigned to them throughout this Agreement;
- 1.1.18 Where any provision contemplates a notice to be given or agreement to be reached between the Parties, such notice or agreement shall, unless expressly provided otherwise, be in writing.

2. DEFINITIONS

In this Agreement, the following words and expressions shall have the meaning assigned to them below and cognate expressions shall have a corresponding meaning, unless inconsistent with the context:

- 2.1 “**Acceptance Date**” shall mean the date on which each Goods is accepted in terms of the unit acceptance procedure by the Purchaser in terms of this Agreement as stipulated in Annexure A;
- 2.2 “**Advance Payments**” shall be the advance payments as set out in the Pricing Schedule
- 2.3 “**Affiliate**” shall mean any person that directly or indirectly through any one or more intermediaries controls, is controlled or is under common control of or with any person;
- 2.4 “**Agreement**” shall mean this agreement together with all the Annexures attached hereto;
- 2.5 “**Applicable Law**” shall mean the Constitution and all applicable statutes, regulations, codes of good practice, sector codes, industry charters, ordinances, by-laws, rules (including rules of court) and other secondary legislation, directives, practice notes having force of law in South Africa and the common law arising out of judicial decisions, notifications and with which the Parties are bound to comply;
- 2.6 “**Bid**” means the proposal submitted by the Seller in response to the Tender Invite issued by the Purchaser;
- 2.7 “**BBBEE**” shall mean Broad Based Black Economic Empowerment as defined in Act 53 of 2003;
- 2.8 “**Business Day**” shall mean any day except Saturday, Sunday or proclaimed public holiday in South Africa;

- 2.9 **“Change in Law”** shall mean the coming into effect after Signature Date of this Agreement of any Law, or any amendment or variation to any Law other than any Law that on or before Signature Date has been published in a draft bill;
- 2.10 **“Confidential Information”** shall mean all confidential information owned exclusively by either Party relating to its business or operations and including, but without being limited thereto, information relating to technical know-how and data, drawings, methods, processes and procedures, and other information, which comes into possession or under the control of the other party in any manner whatsoever, in the course of this Agreement;
- 2.11 **“Consents”** shall mean all consents, permits, clearances, authorizations, approvals, rulings, exemptions, registrations, filings, decisions, licenses, permissions required to be issued by or made with any Responsible Authority for the performance by the Seller of this Agreement, excluding (for the avoidance of doubt) the Purchaser Consents;
- 2.12 **“Completion Date”** shall mean the date of the warranty period in accordance with clause 20.3 of this Agreement;
- 2.13 **“Constitution”** shall mean the Constitution of the Republic of South Africa;
- 2.14 **“Corrupt Act”** shall mean any offense in respect of corruption or corrupt activities contemplated in the Prevention and Combating of Corrupt Activities Act, 2004, committed in relation to this Agreement or any other contract between Seller and the Purchaser;
- 2.15 **“Effective Date”** shall mean the date of 7etrorail7 of the condition precedent in clause 5;
- 2.16 **“Default”**, in respect of the Seller or the Purchaser (as the case may be) shall occur if:
- 2.16.1 any arrangement, composition or compromise with or for the benefit of creditors (including any voluntary arrangement as defined in the Insolvency Act, 1936 or the Companies Act, 2008) being entered into by or in relation to the Party concerned;
- 2.16.2 a liquidator, business rescue practitioner or the like taking possession of or being appointed over, or any, winding-up, execution or other process being levied or enforced upon the whole or any material part of the assets of the Party concerned;
- 2.16.3 the Party concerned ceases to carry on business;
- 2.16.4 the Purchaser commits a breach of any of its material obligations under this Agreement;
- 2.16.5 the Seller commits a breach of any of its material obligations under this Agreement, provided that in the event of late delivery of a Goods in terms of clause 14, such late delivery shall not constitute a Seller’s Default unless the cap for Liquidated Damages in terms of clause 19 has been reached;
- 2.16.6 in the case of the Seller, the Purchaser lawfully rejects acceptance of more than 10% (ten percent) of the Goods in accordance with the provisions of this Agreement;
- 2.16.7 In the case of the Seller, the Seller fails to replace the Goods for which acceptance has been lawfully rejected (in accordance with the provisions of this Agreement) or fails to rectify such cause of rejection (as required in terms of this Agreement); and

- 2.16.8 in the case of the Purchaser, the Purchaser fails to pay the Purchase Amount (or any portion thereof) on due date.
- 2.17 **“Delivery Date”** shall mean the date stipulated in the Delivery Schedule for the delivery of the Goods;
- 2.18 **“Delivery Point”** shall mean [insert delivery point of entry for the Goods in SA] in South Africa as per Incoterms 2010 ex works ;
- 2.19 **“Delivery Schedule”** shall mean the schedule for the delivery of the Goods annexed hereto as Annexure A;
- 2.20 **“Final Delivery at Place”** shall mean [INSERT ADDRESS OF PRASA WHERE THE GOODS ARE TO BE DELIVERED].
- 2.21 **“Force Majeure”** shall mean any of the events listed in clause 26 which directly causes either Party to be unable to comply with all or a material part of its obligations under this Agreement;
- 2.22 **“Goods”** means the Goods to be supplied and delivered by the Seller and detailed in Goods Schedule which is Annexure “E” of this Agreement;
- 2.23 **“Good Industry Practice”** shall mean applying, in relation to the manner in which the Goods are manufactured, the standards, practices, methods and procedures conforming to Applicable Law, and exercising that degree of skill, care, diligence, prudence and foresight that would reasonably and ordinarily be expected from a skilled and experienced person engaged in a similar type of undertaking under similar circumstances;
- 2.24 **“Make Good Charges”** shall mean the costs that will be incurred by the Seller in rectifying defects on any Goods arising from rejection thereof by the Purchaser;
- 2.25 **“Parties”** shall mean the Seller and the Purchaser and Party shall mean either of them;
- 2.26 **“Payment Schedule”** shall mean the payment schedule annexed hereto as Annexure B;
- 2.27 **“Personnel”** shall mean any employee, agent, consultant or sub-contractor of the Parties;
- 2.28 **“Performance Bond(s)”** shall mean the performance bond(s) to be provided by the Seller for the amount equal to 10% (ten percent) of the Purchase Amount of each affected Goods which must comply substantially with Annexure “F” hereto and provided always that the aggregate of all the Performance Bonds will amount to 10% (ten percent) of the Purchase Amount;
- 2.29 **“PRASA”** shall mean Passenger Rail Agency of South Africa, a public entity established in terms of the Legal Succession to the South African Transport Services Act 9 of 1989;
- 2.30 **“Pricing Schedule”** shall mean the pricing schedule of the Goods annexed hereto as Annexure C;

- 2.31 **“Goods”** shall mean Goods to be supplied and delivered by the Seller to the Purchaser as detailed in Goods Schedule “F”;
- 2.32 **“Public Entity”** shall mean a public entity as defined in the Public Finance Management Act, of 1999;
- 2.33 **“Purchase Amount”** shall mean the amount to be paid by the Purchaser to the Seller for the Purchase of the Goods as set out in the Pricing Schedule;
- 2.34 **“Purchaser”** shall mean PRASA;
- 2.35 **“Responsible Authority”** shall mean any ministry, any minister, any organ of state, any official, any official in the public administration or any other governmental or regulatory department, commission, department, entity, service utility, board of directors, committee, agency, instrumentality or authority (in each case, whether national, provincial or municipal) or any court, each having jurisdiction over the matter in question;
- 2.36 **“Restricted Enterprise”** shall mean an entity restricted from contracting with Purchaser or any other Public Entity as a result of being listed either on the register for tender defaulters compiled in terms of the regulations to the Prevention and Combating of Corrupt Activities Act 12, of 2004; or any other relevant Applicable Law;
- 2.37 **“Seller”** shall mean [INSERT NAME OF SELLER] a company duly registered in terms of the Companies Act 71 of 2008 with Registration Number [INSERT SELLER’S REGISTRATION NUMBER];
- 2.38 **“Signature Date”** shall mean the date of signature of this Agreement by the last party signing;
- 2.39 **“Signature Date”** shall mean the date of signature of this Agreement by the last party signing;
- 2.40 **“South Africa”** shall mean the Republic of South Africa; and
- 2.41 **“Tender Invite”** means the tender issued by PRASA for supply and delivery of the Goods.

3. **INCONSISTENCY**

- 3.1 The documents forming the Contract are to be taken as mutually explanatory of one another. For the purposes of interpretation, the priority of the documents shall be in accordance with the following sequence:
- 3.1.1 This Agreement and Annexures thereto;
- 3.1.2 the RFP; and
- 3.1.3 the Sellers’s Bid.
- 3.2 If an ambiguity or discrepancy is found in the documents, the Parties shall endeavour to resolve the matter failing which they can refer the matter to arbitration in terms of this Agreement.

4. INTRODUCTION

- 4.1 On [insert date of issue of tender or invitation for quotation], PRASA issued a tender for appointment of a Seller for delivery and Supply of the Goods.
- 4.2 PRASA would like to appoint the Seller shall delivery and supply the Goods to the Purchaser in accordance to the terms and conditions of this Contract Agreement.
- 4.3 The Purchaser hereby purchases from the Seller the Goods and unless otherwise specified, the Seller shall supply unused Goods either from stock or from a new production.

5. CONDITION PRECEDENT

- 5.1 Save for this clause 5 (Condition Precedent) and clauses 2 (Definitions), 31 (Confidentiality), 28(Informal Dispute Resolution), 29 (Arbitration), 27 (Notices and Legal Service) and 34 (Severability) which shall be of immediate force and effect, this Agreement is subject to a condition precedent that the Seller deliver to the Purchaser the Performance Bond(s) within 30 days of Signature of this Agreement. The above condition precedent shall not be capable of being waived.
- 5.2 Unless the condition precedent contained in clause 5.1 is fulfilled on or before the 28th day ("long stop date") from the Signature Date or such later date as the Parties may agree to in writing, the provisions of this clause 5 (Condition Precedent) and clauses 2 (Definitions), 31 (Confidentiality), 28(Informal Dispute Resolution), 29 (Arbitration), 27 (Notices and Legal Service) and 34 (Severability) shall continue to be of full force and effect, but the remainder of this Agreement shall not become operative or effective and shall have no force or effect whatsoever.

6. PERFORMANCE BOND (NOT APPLICABLE FOR THIS CONTRACT)

- 6.1 The Seller shall issue to the Purchaser Performance Bonds on or before the date specified in clause 5 (Condition Precedent);
- 6.2 The Performance Bond(s) shall either be in respect of each item of Goods or a portion thereof in line with the Delivery Schedule;
- 6.3 Upon the expiry of the Warranty Period in respect of each Good, the Seller shall release the Performance Bond(s) for that Good which is no longer within the Warranty Period.

7. DURATION

The term of this Agreement shall commence on Effective Date and shall continue unless otherwise terminated in terms of any provision of this Agreement, up to Completion Date.

8. OBLIGATIONS OF THE PARTIES

- 8.1 The Seller's Obligations
 - 8.1.1 The Seller shall:

- 8.1.2 supply the Goods contemplated in this Agreement in accordance with the terms and conditions thereof in accordance with Good Industry Practice as at the Signature Date and such Goods must be ISO 9001 and ISO 14001 approved;
- 8.1.3 Notify the Purchaser of any trends, activities or occurrence in relation to any of the aspects of this Agreement or part thereof, which are known to the Seller and which are reasonably likely to result in the disruption to the Purchaser's business or the availability of the Goods;
- 8.1.4 Transfer of technology and deliver each Goods according to the Specification Schedule annexed hereto as Annexure "D";
- 8.1.5 Ensure timely delivery of the Goods as outlined in Delivery Schedule "A";
- 8.1.6 Provide performance and other guarantees applicable to the Goods as expressly included in this Agreement.
- 8.2 The Purchasers' Obligations
 - 8.2.1 The Purchaser shall:
 - 8.2.2 Subject to the provisions of clause 15, to make payments to the Seller in accordance with the Payment Schedule annexed hereto as Annexure B;
 - 8.2.3 Accept delivery of Goods in accordance with the Delivery Schedule;
 - 8.2.4 Undertake the inspections and tests to determine the acceptability of Goods as defined in the unit acceptance procedure.

9. PURCHASE AMOUNT

The Purchaser shall pay to the Seller the Purchase Amount in accordance with terms and conditions set in the Pricing Schedule annexed hereto as Annexure "C" and this Agreement.

10. JOINT AND SEVERAL LIABILITY

- 10.1 If the Seller constitutes (under applicable Laws) [MAKE A SELECTION EITHER A JOINT VENTURE, CONSORTIUM OR OTHER UNINCORPORATED GROUPING OF TWO OR MORE PERSONS]:
 - 10.1.1 these persons shall be deemed to be jointly and severally liable to the Purchaser for the performance of the Contract;
 - 10.1.2 these persons shall notify Purchaser of their leader who shall have authority to bind the Contractor and each of these persons; and
 - 10.1.3 the Seller shall not alter its composition or legal status without the prior consent of the Purchaser.

11. SUBJECT MATTER OF PURCHASE AND SALE AGREEMENT

- 11.1 The Seller shall supply and deliver to the Purchaser and the Purchaser shall purchase and accept delivery from the Seller of the Goods of the type and specifications listed in the Specification Schedule annexed hereto as Annexure "D".
- 11.2 The Purchaser shall inspect and certify the Goods at arrival at _____, South Africa.

12. DESIGN

- 12.1 The Seller shall carry out, and be responsible for, the design of Goods. The design shall be prepared by qualified professional designers who comply with the criteria as agreed between the parties.
- 12.2 The Seller warrants that it, its designers and design sub-contractors have the experience and capability necessary for the design. The Seller undertakes that the designers shall be available to attend discussions with the Purchaser at all reasonable times, until the expiry date of the relevant defects notification period.
- 12.3 The seller shall allow the officials of the Purchaser to conduct inspections and factory acceptance testing at the Sellers factory where the Goods are manufactured by the Seller.
- 12.4 The Seller shall ensure that, prior to the completion of the design of the Goods; the Purchaser has not raised any reasonable objections to such design which remains unattended.
- 12.5 The drawings and documents furnished by the Seller to the Purchaser ("Proprietary Material") are the property of the Seller, and all intellectual property and/or industrial property rights in and to such Proprietary Material shall remain vested in the Seller at all times.
- 12.6 The Seller however grants to the Purchaser (subject to clause 12.5) a non-exclusive, non-assignable right to Goods lifespan license to use such Proprietary Material and the intellectual and/or industrial property contained therein, solely and exclusively for the operation and ordinary repairs and/or maintenance of the Goods.
- 12.7 The right granted to the Purchaser by the Seller in terms of clause 12.6 shall entitle the Purchaser to make any modifications to the Goods.

13. SELLER'S UNDERTAKING

- 13.1 The Seller undertakes that the production, the Seller's documents, the execution and the completed Goods will be in accordance with:
- a) The Applicable Law as of the Signature Date;
 - b) Good Industry Practice as of the Signature Date; and
 - c) The documents forming the Contract, as altered or modified by variations as agreed in writing between the Parties.

14. DELIVERY OF THE GOODS

- 14.1 The Seller shall, deliver the Goods at the Delivery Point, and within the time period, specified in the Delivery Schedule with respect thereto in a condition which from the technical perspective is suitable based on the agreed requirements, to for immediate use by Purchaser for the Unit Acceptance Procedure.
- 14.2 Upon delivery of the Goods at the Delivery Point, the Purchaser shall promptly take possession of the Goods in order to avoid any delay in vessel discharging, inspect the Goods (visual and dimension inspection) to confirm that they comply with the Specification Schedule. [In the event that the Purchaser fails to inspect the Goods, or fails to confirm such inspection, within 28 days of delivery at the port of destination, the Purchaser shall be deemed to have confirmed that the Goods comply with the Specifications Schedule.]
- 14.3 If the Goods meet the specifications and have successfully undergone the unit acceptance procedure, the Purchaser will accept all such Goods so delivered.
- 14.4 Upon delivery and acceptance of the Goods, the Seller and Purchaser shall execute an acceptance certificate hereto indicating the Acceptance Date as to such Goods.
- 14.5 The Purchaser retains the right to reject acceptance of Goods that do not conform to the Specification Schedule within the period specified in clause 14.2.
- 14.6 If the Purchaser rejects acceptance of any Goods, it shall notify the Seller of such rejection within the period specified in clauses 14.2 and 14.5 and shall provide the Seller in writing with full and detailed reasons for the rejection.
- 14.7 The Purchaser shall not be entitled to return a Goods for which acceptance has been rejected. Instead, the Seller shall name a third party inspection company, acceptable to the Purchaser, to verify the compliance of the Goods.
- 14.8 In case the third party inspection reveals that some Goods are found not conforming to the Contract terms, the Purchaser shall at his option demand that the Seller, replace or rectify such cause of rejection in such Goods in order to achieve conformity with the Specification Schedule of all the Goods that have been rejected.
- 14.9 The Seller will give Purchaser notice of the targeted delivery week of each Goods approximately 30 (thirty) days prior to the scheduled month of delivery.
- 14.10 The Seller will give the Purchaser at least 14 (fourteen) days' notice of the delivery date of the Goods.
- 14.11 The title to the Goods will pass from the Seller to the Purchaser upon delivery of such Goods to the Delivery Point, after inspection by the Purchaser and confirmation of acceptance and after full payment of the said Goods to the Seller. The risk of loss of the Goods will pass from the Seller to the Purchaser as per the Incoterms used in the Contract.
- 14.12 Upon delivery of the Goods the Seller will deliver to Purchaser a bill of sale conveying good title to such Goods, free of any liens, claims, charges, and encumbrances.

15. PURCHASE AMOUNT AND PAYMENT TERMS

- 15.1 The purchase amount for the Goods and the total purchase amount shall be as stated in the Pricing Schedule annexed hereto as Annexure "C".
- 15.2 The Purchaser shall, during the subsistence of this Agreement make payments to the Seller for the sale and purchase of the Goods in strict accordance with the invoicing and payment procedures specified in the Payment Schedule.
- 15.3 Payments should be made to the Seller to the following Bank Account:

[INSERT BANKING DETAILS OF SELLER]

- 15.4 The payments shall be inclusive of all items related to the purchasing of Goods. The Seller shall be responsible for the costs and the risk related to:
- a) Make Good Charges;
 - b) licence fees and other regulatory costs applicable to the Seller.
- 15.5 The purchase amount for the Goods stated in the Pricing Schedule annexed hereto as Annexure C, less Advance Payments received by the Seller, is due on acceptance of such Goods by the Purchaser, provided that if acceptance is delayed for reasons not attributable to the Seller payments shall be made after 60 days.
- 15.6 The Purchaser shall make payments in accordance with the Payment Schedule in Rands by electronic transfer to the Seller's nominated bank account.
- 15.7 All other payments that are required to be made in terms of this Agreement shall be made in South African Rand.

16. INVOICING

- 16.1 The Seller shall issue to Purchaser invoices in accordance to Payment Schedule and the invoices shall:
- 16.1.1 Indicate the VAT number of the Seller;
 - 16.1.2 Indicate the full details of the Seller's and bank account;
 - 16.1.3 Be a valid tax invoice in accordance with the requirements of the South African Revenue Services; and
 - 16.1.4 Indicate the vendor number provided to the Seller by Purchaser.

17. QUALITY ASSURANCE

- 17.1 The Seller shall procure that, in any sub-contract for the manufacture and delivery of the Goods, the sub-contractor (i) complies with general quality standards including ISO 9001 and ISO 14001 and (ii) prepares a quality assurance system to demonstrate such

compliance. The system shall be in accordance with the details stated in this Agreement. The Purchaser shall be entitled to audit any aspect of the system.

- 17.2 Within 30 days of this Agreement, the Seller will deliver the quality certificate that has been issued following the manufacture of the Goods. Reasonable details of procedures and compliance documents shall be submitted to the Purchaser for information upon reasonable demand of the Purchaser. When any document of a technical nature is issued to the Purchaser, evidence of the prior approval by the Seller himself shall be apparent on the document itself.
- 17.3 Compliance with the quality assurance system shall not relieve the Seller of any of his duties, obligations or responsibilities under the Agreement.

18. RISK OF LOSS OR DAMAGE

If Goods are destroyed or damaged for any reason before delivery at the Delivery Point conditions, the Seller will give written notice to the Purchaser specifying the earliest month possible in which the Seller can deliver a replacement Goods. The Purchaser may within 30 (thirty) days from receipt of the said notice elect to have the Seller supply a replacement Goods under terms and conditions as close as possible to the terms of the damaged or destroyed Goods.

19. REPRESENTATIONS AND WARRANTIES

The Sellers warranties

19.1 The Seller hereby warrants that:

19.1.1 it is a Consortium formed by two separate companies duly incorporated and validly existing under the laws of Spain and South Africa, and has taken all necessary actions to authorize its execution of and to 15etror its obligations under this Agreement;

19.1.2 to the best of its knowledge and belief, its obligations under this Agreement are legal, valid, binding and enforceable against it, in accordance with the terms of this Agreement;

19.1.3 all information disclosed by or on behalf of the Seller at any time up to the Signature Date and thereafter, is true, complete and accurate in all material respects and the Seller is not aware of any material facts or circumstances not disclosed to Purchaser which would, if disclosed, be likely to have an adverse effect on Purchaser's decision (acting reasonably) to enter into this Agreement with the Seller;

19.1.4 the execution and performance of this Agreement does not and will not contravene any provision of its constitutive documents as at the Signature Date, or any order or other decision of any Responsible Authority or arbitrator that is binding on the Seller as at the Signature Date;

19.1.5 no litigation, arbitration, investigation or administrative proceeding is in progress as at the Signature Date or, to the best of the knowledge of the Seller as at the Signature Date having made all reasonable enquiries, threatened against it which is likely to have a material adverse effect on the ability of the Seller to provide the Goods;

- 19.1.6 the Seller is not subject to any obligation, non-compliance with which is likely to have a material adverse effect on its ability to supply the Goods;
- 19.1.7 no proceedings or any other steps have been taken or, to the best of the knowledge of the Seller having made all reasonable enquiries, threatened for the winding-up or liquidation (whether voluntary or involuntary, provisional or final), judicial management (whether provisional or final) or deregistration of the Seller or any (or all) of its sub-contractors, or for the appointment of a liquidator, judicial manager or similar officer over it or over any of its assets;
- 19.1.8 it will use reasonable care and skill in carrying out its obligations under this Agreement;
- 19.1.9 it is not a Restricted Enterprise; and
- 19.1.10 in being awarded the business under this Agreement, it did not engage, either directly or indirectly, or in any manner participate in the perpetration of a Corrupt Activities Act 12 of 2004.
- 19.2 Purchaser warranties
- Purchaser hereby warrants that:
- 19.2.1 it has taken all necessary actions to authorise its execution of and the fulfilment of its obligations under this Agreement; and
- 19.2.2 to the best of its knowledge and belief, its obligations under this Agreement are legal, valid, binding and enforceable against it, in accordance with the terms of this Agreement;
- 19.2.3 no litigation, arbitration, investigation or administrative proceeding (other than any such proceedings relating to the conduct of the Seller) is in progress as at the Signature Date in respect the award of the Seller's appointment under this Agreement, and to the best of the knowledge of the Purchaser as at the Signature Date having made all reasonable enquiries, threatened against it which is likely to have a material adverse effect on the ability of the Purchaser to perform its obligations under this Agreement;
- 19.2.4 the Purchaser is not subject to any obligation, non-compliance with which is likely to have a material adverse effect on its ability to perform its obligations under this Agreement;
- 19.2.5 it will use reasonable care and skill in carrying out its obligations under this Agreement.
- 19.3 Unless otherwise expressly stated, the warranties of the Seller and the Purchaser in terms of clauses 19.1 and 19.2 respectively shall apply as at the Signature Date and for the duration of this Agreement.

20. GOODS WARRANTIES

20.1 Goods warranty

- 20.1.1 The Seller grants the Purchaser a warranty that is independent for each of the Goods under the terms and conditions contained in this clause. By virtue of the Warranty, if any

of the components, pieces or original parts of the Goods suffered a breakage, malfunction, imperfection or damage under the terms indicated in clause 20.2 below, the Seller undertakes to repair and/or replace the Defective Goods at its option.

20.2 Aspects covered and aspects excluded

- 20.2.1 The Warranty is to apply and, therefore, the Seller shall have the obligations indicated in clause 20.1, solely if the breakage, malfunction, damage or deterioration of the Defective Component were to be due to (i) defects in the materials used, (ii) manufacturing faults, faults that are not the consequence of any technical specifications specified by the Purchaser and (iii) workmanship faults
- 20.2.2 Excluded from the Warranty, therefore, are the breakages, malfunctioning, damage or deterioration derived from (including, but not limited to):
- 20.2.3 Normal wear and tear for the Goods. On this point the Purchaser is aware and accepts that the Goods have to be submitted to periodic maintenance, in which parts should be replaced because of their normal wear.
- 20.2.4 Improper use of the Goods.
- 20.2.5 Lack of proper maintenance.
- 20.2.6 Accidents, natural disasters (floods, fires, explosions, etc.); violent or criminal acts.
- 20.2.7 Failure by the Purchaser to repair other breakages, malfunctioning, wear or damage.

20.3 Warranty Periods

The Goods will be guaranteed for period of two years from Acceptance Date.

20.4 Claim process for the Warranty and execution of the same by the Seller

- 20.4.1 Once a defect becomes known, the Purchaser shall notify the Seller of the defect. This notification is to be made as soon as possible and, in any case, within one (1) week following the date on which the defect became known. The Purchaser will dismount and make available the defective component to the Seller without delay and free of any cost and/or expense for the Seller at a place designated for this purpose at the Purchaser's premises.
- 20.4.2 Following receipt of this notification, the Seller is to adopt the measures necessary to be able to comply in a reasonable period replace the defective Goods.
- 20.4.3 In any case, prior to complying with the obligations set out in clause 20.1, the Seller may examine the Goods and carry out whatever examinations it considers reasonable in order to determine the cause of the breakage, malfunctioning, damage or deterioration, such investigation to be permitted and facilitated by the Purchaser.

21. SPECIFICATIONS AND STANDARDS

21.1 The Goods supplied by the Seller will, at the date of delivery, comply with any specification and standard specified Specification Schedule annexed hereto as Annexure "D".

21.2 Failure by the Purchaser to comply with Purchasers Specification Schedule in Annexure "D" shall constitute material breach by the Seller which shall entitle the Purchaser to terminate this Contract.

22. CESSION OR DELEGATION AND SUB-CONTRACT

22.1 Neither Party shall cede or delegate any right or obligation under this contract nor enter into any sub-contract of whatever nature for the execution therefore or part thereof without the prior written consent of the other.

22.2 Should the Seller apply to cede or assign the whole portion of the contract, the circumstances shall be reported to the Purchaser. The Purchaser shall be notified immediately of the Seller's intention to cede and/or assign its business. The name(s) of the new company and its directors shall be furnished to the Purchaser together with any other information reasonably required by the Purchaser.

22.3 Under no circumstances shall it be taken for granted that the Purchaser will approve of the session and/or assigning if the Purchaser has not been provided with all the relevant details.

22.4 The Seller may only sub-contract any part of its obligations in terms of this Agreement with prior consent from Purchaser, which consent shall not be unreasonably withheld, provided that:-

22.4.1 such sub-contracting shall not absolve the Seller from the responsibility for complying with its obligations in terms of this Agreement and the Seller hereby subject to the terms of this Agreement indemnifies and holds Purchaser harmless against any loss, harm or damage which Purchaser may suffer as a result of such sub-contracting;

22.4.2 such sub-contracting shall not have the effect of diluting or circumventing the provisions of the Seller quotation and this Agreement;

22.5 The Seller shall at all times remain the sole point of contact for Purchaser in respect of the acquisition of services by Purchaser; and

22.6 no such sub-contracting shall have any effect on the Contract Price payable by Purchaser to the Seller in terms of this Agreement.

22.7 The Seller shall during the term of this agreement not be allowed to proceed with any of the following matters prior to receiving written consent of Purchaser's Chief Procurement Officer and Group Chief Executive Officer:

22.7.1 any transfer of any amount of shares of the Seller;

22.7.2 any change in the composition of the Seller;

22.7.3 any change in the ownership of the Seller;

- 22.7.4 any material change in the constitution, memorandum, articles of association of similar document providing for the creation, formation or incorporation of the Seller; or
- 22.7.5 any change on the BBBEE component of the Seller.
- 22.8 provided that the Seller shall not require any approval and/or consent of the Purchaser and/or Purchaser's Chief Procurement Officer and Group Chief Executive Officer where any change as contemplated in clause 22.7.1 to 22.7.5 does not have impact on the BBBEE status of the Seller.

23. LIMITATION OF LIABILITY

The Parties total aggregate liability under this contract shall not exceed twice the Purchase Amount of the Goods. Liability for consequential or other indirect losses are hereby excluded, including but not limited to loss of profits, loss of revenue of production, contracts or any other economic losses of any kind. In the unlikely event of the seller supplying Goods which do not conform to the contract specification or specification schedule, the Seller shall replace them to the point of delivery in the contract.

24. DEFAULT

24.1 Seller's Default

24.1.1 On the occurrence of a Seller's Default, the Purchaser may serve written notice on the Seller of the occurrence (and specifying details) of such Seller's Default, requiring the Seller at the Seller's option either:

24.1.2 to remedy the Seller's Default referred to in such notice of default (if the same is continuing) or to remedy the underlying cause of such Seller's Default, within 20 (twenty) Business Days of such notice of default; or

24.1.3 to put forward within 20 (twenty) Business Days of such notice of default a reasonable programme for remedying the Seller's Default or to remedy the underlying cause of such Default ("Remedial Programme"). The Remedial Programme shall specify in reasonable detail the manner in, and the latest date by which, such Seller Default is proposed to be remedied.

24.1.4 The default notice shall specify the occurrence, and give details, of the Seller's Default and of any event or circumstance which is likely, with the passage of time or otherwise, to constitute or give rise to the Seller's Default, in either case promptly on the Purchaser becoming aware of its occurrence.

24.1.5 Notwithstanding provisions of clause 24 or any other clause in this Agreement, the Purchaser shall be entitled to terminate this Agreement with immediate effect if the Seller commits breach in terms of clauses 22.6 and 19.

24.2 Remedy Provisions and termination

24.2.1 Where the Seller puts forward a Remedial Programme in accordance with clause 24.1.1, the Purchaser shall have 10 (ten) Business Days from receipt of the same within which to notify the Seller that it does not accept the Remedial Programme, failing which the Purchaser shall be deemed to have accepted the Remedial Programme.

24.2.2 The Purchaser may not unreasonably reject the Remedial Programme and shall give full reasons for a rejection, if applicable. Where the Purchaser notifies the Seller that it does not accept the Remedial Programme, the Parties shall endeavour within the following 10 (ten) Business Days to agree any necessary amendments to the Remedial Programme put forward.

24.2.3 The Purchaser may terminate this Agreement in respect of such Goods for which no Acceptance Certificate has been issued, on written notice (which notice shall give full details of the breach which has occurred that entitle the Seller to terminate) if:

- a. the Seller has failed to remedy the Seller's Default within the 20 (twenty) Business Day period in terms of sub-clause 24.1.1 of clause 24.1.1 (if applicable);
- b. the Seller has failed to provide a Remedial Programme within the 10 (ten) Business Day period in terms of sub-clause 0 of clause 24.1.1 (if applicable); or
- c. the Parties have failed to agree on any amendments to the Remedial Programme after the Purchaser has not accepted the Remedial Programme in accordance with the provisions of 24.2.2.

24.3 Purchaser's Costs

24.3.1 Subject to clause 18 above the Seller shall reimburse the Purchaser for all reasonable costs incurred by the Purchaser in exercising any of its rights in terms of clauses 24.1 and 24.2. The Purchaser shall take reasonable steps to mitigate such costs.

24.3.2 Unless expressly set otherwise in this Agreement but subject in any case to the clause 18 above the rights of the Purchaser (to terminate or otherwise) under clauses 24.1 and 19.2 are in addition (and without prejudice) to any other right which the Purchaser may have in law including the right to claim specific performance by the Seller and/or to claim the amount of any direct loss or damages suffered by the Purchaser on account of the acts or omissions of the Seller (or to take any action other than termination of this Agreement).

24.4 Purchaser's Default

24.4.1 On the occurrence of a Purchaser's Default, the Seller may serve written notice on the Purchaser of such occurrence (and specifying details) of such Purchaser's Default, requiring the Purchaser to remedy the Purchaser's Default referred to in such notice of default (if the same is continuing) or to remedy the underlying cause of such Purchaser's Default, within 10 (ten) Business Days of such notice of default.

24.4.2 The default notice shall specify the occurrence, and give details, of the Purchaser's Default and of any event or circumstance which is likely, with the passage of time or otherwise, to constitute or give rise to the Purchaser's Default, in either case promptly on the Seller becoming aware of its occurrence.

24.4.3 Should the Purchaser fail to remedy the Purchaser's Default within the aforesaid 60 (sixty) Business Day period, the Seller may terminate this Agreement on written notice. The Seller's termination notice shall give full details of the breach which has occurred that entitles the Seller to terminate this Agreement.

24.4.4 The Seller shall not exercise, or purport to exercise, any right to terminate this Agreement except as expressly set out in this Agreement. The rights of the Seller (to terminate or otherwise) under clause 24.4.3 are in addition (and without prejudice) to any other right which the Seller may have in law including the right to claim specific performance by the Seller and/or to claim damages.

24.5 Suspension for Force Majeure

24.5.1 Should any of the obligations of either party become objectively impossible of performance, such party shall be exempted from its obligations under this agreement if the circumstance that renders performance impossible was unforeseeable with reasonable foresight at the time of contracting and unavoidable with reasonable care at the time of its occurrence by the party concerned and such party displays reasonable care and diligence in attempting to avoid the consequences thereof.

24.5.2 Such exemption shall, however, operate only to the extent that the performance of the obligations of such party is rendered objectively impossible and only for the period during which the relevant circumstance prevails. Notice of such circumstance shall be given to the other party in writing without delay

24.6 Termination for Corrupt Acts

24.6.1 The Seller warrants that in entering into this Agreement it has not committed any Corrupt Act.

24.6.2 In determining for purposes of this Agreement whether a Corrupt Act was committed in relation to this Agreement by any shareholder, any sub-contractor of the Seller (or anyone employed by or acting on behalf of any of them, including the sub contractors' sub-contractors) ("the Suspected Party"), the following principles shall apply:

- (i) a Corrupt Act in relation to this Agreement shall be deemed to have been committed in circumstances where the Seller agrees that a Suspected Party has committed such a Corrupt Act; or
- (ii) If a Suspected Party is convicted by a competent court of an offence that constitutes a Corrupt Act in relation to this Agreement, then a Corrupt Act in relation to this Agreement shall be deemed to have been committed.

24.6.3 If it is agreed by the Seller or determined by clause 24.6.2(ii) above that the Suspected Party has committed any Corrupt Act in relation to this Agreement, then the Purchaser shall be entitled to act in accordance with clauses 24.6.4 to 24.6.9 below.

24.6.4 If the Corrupt Act is committed by the Seller, any Shareholder, any director of the Seller, any director of any Shareholder, or any employee of the Seller or of any Shareholder acting under the authority of or with the knowledge of a director of the Seller or such Shareholder, as the case may be, then in any such case, the Purchaser may terminate this Agreement with immediate effect by giving written notice to the Seller.

24.6.5 If the Corrupt Act is committed by an employee of the Seller or of any Shareholder acting of his or her own accord, then in any such case, the Purchaser may give written notice to the Seller of termination and this Agreement will terminate, unless within 10 (ten) Business Days of the Seller's receipt of such notice the Seller demonstrates to the

reasonable satisfaction of the Purchaser that that employee's involvement in the execution of this Agreement is terminated;

24.6.6 If the Corrupt Act is committed by a sub-contractor, director of a sub-contractor or an employee of a sub-contractor acting under the authority or with the knowledge of a director of that sub-contractor, then in any such case, the Purchaser may give written notice to the Seller of termination and this Agreement will terminate, unless within 30 (thirty) Business Days of its receipt of such notice the Seller terminates the relevant Subcontract.

24.6.7 If the Corrupt Act is committed by an employee of a sub-contractor acting of his or her own accord, then the Purchaser may give notice to the Lesser of termination and this Agreement will terminate, unless within 15 (fifteen) Business Days of its receipt of such notice the Seller procures the termination of that employee's involvement in the execution of this Agreement.

24.6.8 Any notice of termination under this clause 24 shall specify:

- (i) the nature of the Corrupt Act;
- (ii) the identity of the party or parties agreed by the Seller to have committed the Corrupt Act;
- (iii) the date on which this Agreement will terminate in accordance with the applicable provisions of this clause 24.

24.6.9 without prejudice to its other rights or remedies under this clause 24, the Purchaser shall be entitled to recover from the Seller, the greater of:

- (i) the amount or value of the gift, purchase consideration or commission which is the subject of the Corrupt Act; and
- (ii) any direct losses sustained by the Purchaser in consequence of any breach of this clause 24 by the Seller.

24.6.10 The Seller shall notify the Purchaser of the occurrence (and details) of any Corrupt Act in relation to this Agreement promptly on the Seller becoming aware of its occurrence.

25. CHANGE OF LAW

25.1 Any change of Applicable Law after the Signature Date shall only impact this Agreement to the extent that:

25.1.1 the law directly changes the value added tax applicable to agreements similar to this Agreement and/or the law is compulsorily applicable to the Seller; and

25.1.2 to the extent that it prohibits the transaction as anticipated in this Agreement.

25.2 In the event of change of Applicable Law as anticipated in clause 25.1.1 the Purchaser shall bear all direct costs and/or expenses resulting there from and the Purchase Amount shall escalate accordingly. In addition, the Seller shall be entitled to a reasonable extension of the date/s stipulated in the Delivery Schedule for the delivery of the Goods.

25.3 In the event of any change of Applicable Law and/or Good Industry Practice which is not compulsorily applicable to the Seller, the Seller shall not be obliged to comply with such changes unless the Parties have agreed thereto (together with all applicable terms including costs associated with such compliance) in writing.

26. FORCE MAJEURE

26.1 In the event of any acts of God, , war, war-like operation, rebellion, riot, civil commotion, lockout, , go slow by labour or the introduction, sonic shock waves caused by aircraft or other aerial devices, accommodate or order or any circumstances arising or action taken beyond or outside the reasonable control of the Parties hereto preventing them or any one of them from the performance of any obligation hereunder, then the Party affected by such force majeure shall immediately notify the other Party forthwith as to the nature and extent of the circumstances in question.

26.2 Where a Party is (or claims to be) affected by an event of Force Majeure:

26.2.1 it shall take all reasonable steps to mitigate the consequences of such an event upon the performance of its obligations under this Agreement, resume performance of its obligations affected by the event of Force Majeure as soon as practicable and use all reasonable endeavours to remedy its failure to perform; and

26.2.2 it shall not be relieved from liability under this Agreement to the extent that it is not able to perform, or has not in fact performed, its obligations under this Agreement due to its failure to comply with its obligations.

26.3 The Party claiming relief shall serve written notice on the other Party within 5 (five) days of it becoming aware of the relevant event of Force Majeure. Such initial notice shall give sufficient details to identify the particular event claimed to be an event of Force Majeure.

26.4 A subsequent written notice shall be served by the Party claiming relief on the other Party within 5 (five) days, or such longer period as may be agreed between the Parties, which shall contain such relevant information relating to the failure to perform (or delay in performing) as is available, including (without limitation) the effect of the event of Force Majeure on the ability of the Party to perform, the action being taken by that Party to mitigate the effect of Force Majeure event and an estimate of the period of time required to overcome it (and/or its effects).

26.5 The Party claiming relief shall notify the other as soon as the consequences of the event of Force Majeure have ceased and when performance of its affected obligations can be resumed.

26.6 If, following the issue of any notice referred to in clause 26.3 the Party claiming relief receives or becomes aware of any further information relating to the event of Force Majeure (and/or any failure to perform), it shall submit such further information to the other Party as soon as reasonably possible.

27. NOTICES AND LEGAL SERVICE

All notices and any other communications whatsoever (including, without limitation, any approval, consent, demand, query or request) by either Party in terms of this Agreement

or relating to it shall be given in writing and sent by registered post, or delivered by hand, or transmitted by facsimile to the recipient Party at its relevant address set out below:

27.1 if to the Purchaser at:

Address : Prasa House
: 1040 Burnette Street
: Hatfield, Pretoria
Attention: : Legal Department
Postal address: : Private Bag X101
: Braamfontein
: 2017
Facsimile number : 011 773 1600
Telephone number : 011 774 6001

27.2 if to the Seller:

Address :
Attention :
Postal address :
Facsimile number :
Telephone number :

27.3 Either Party may, by written notice to the other Party, change any of the addresses at which or the designated person for whose attention those notices or other communications are to be given.

27.4 Any notice or other communication given by any Party to the other Party which:

27.4.1 is sent by registered post to the addressee at its specified address shall be reputedly presumed to have been received by the addressee on the 7th (seventh) day after the date of posting; or

27.4.2 is delivered by hand to the addressee during the normal business hours of the addressee at its specified address shall be refutably presumed to have been received by the addressee at the time of delivery; or

- 27.4.3 is transmitted by facsimile to the addressee during the normal business hours of the addressee at its specified facsimile number shall be reputedly presumed to have been received by the addressee on the date of transmission as indicated on the sender's facsimile transmission report.
- 27.5 The previous provisions of this clause 27 shall not invalidate any notice or other communication actually given and received otherwise than as described in those provisions.
- 27.6 The Parties choose their respective physical addresses in clause 27.1 and 27.2 as their respective domicilia citandi et executandi at which all documents relating to any legal proceedings to which they are a party may be served. If that address is changed to another address which is not a physical address in South Africa, then the original address shall remain the domicilium citandi et executandi of the relevant Party until it nominates a new physical address within the Republic of South Africa in writing to be its new domicilium citandi et executandi.

28. INFORMAL DISPUTE RESOLUTION

- 28.1 The Parties shall use their best endeavours to comply with the terms of this Agreement and undertake to attempt to settle disputes about compliance quickly and amicably, in the best interests of the Purchaser's commuters, should such a dispute occur. In attempting to resolve the dispute in accordance with the provisions of this clause, the Parties and their employees and representatives, shall use reasonable endeavours to resolve such dispute quickly by negotiations or any other informal procedure that the relevant representatives may adopt. Those attempts shall be conducted in good faith in an effort to resolve the dispute without the necessity for resorting to formal proceedings.
- 28.2 The provisions of this clause 28 shall, save where expressly or by necessary implication provided otherwise in this Agreement, apply to any dispute arising in relation to or in connection with any aspect of this Agreement.
- 28.3 If a dispute arises in relation to any aspect of this Agreement, and before any steps are taken in terms of clauses 28.3, the Parties shall attempt in good faith to come to an Agreement in relation to the disputed matter, in accordance with the following informal process:
- 28.4 all disputes shall first be referred to a meeting of the Steering Committee officers and the designated executives from the Parties who shall have sufficient authority to be able to resolve it; and
- 28.5 if the dispute remains unresolved for 14 days after the referral, either of the Parties may refer the dispute to a meeting of the Chief Executive Officers of the Parties;
- 28.6 a dispute which has not been resolved for 14 days after the referral to a meeting of the Chief Executive Officers (or such longer period as may be agreed between them, shall be treated as a dispute in respect of which the informal dispute resolution has failed.

28.7 The referral of any dispute to informal dispute resolution in terms of this clause shall not relieve either Party from any liability for the due and punctual performance of its obligations under this Agreement.

28.8 If informal resolution of any dispute has failed, then the dispute may be dealt with in terms of clause 29.

29. ARBITRATION

29.1 In the event of any dispute arising under, out of, in connection with or in relation to this Agreement ("Dispute"), such Dispute shall first be dealt with in terms of clause 28.

29.2 If the Dispute is referred to the respective parties' Chief Executive Officers in terms of clause 28, the joint and unanimous written decision of such Chief Executive Officers of the Parties, shall be final and binding upon the parties.

29.3 Any Dispute that has not been resolved by the Chief Executive Officers of the Parties within the period provided for in clause 28 (or any extended period agreed between the Chief Executive Officers of the parties), shall be referred to arbitration in accordance with the remaining provisions of this clause 29.

29.4 Any and all Disputes that have not been resolved in terms of clause 28 shall be submitted to and determined by arbitration a panel of three arbitrators ("Panel") in accordance with the latest edition of the commercial rules for the conduct of arbitrations of the Arbitration Foundation of Southern Africa ("AFSA"), as in effect at the date of commencement of the arbitration.

29.5 Each Party shall nominate an arbitrator who shall be a practicing advocate who is a Senior Counsel of not less than ten (10) years standing as such and the third arbitrator shall be appointed by AFSA.

29.6 The Panel shall have the powers conferred upon an arbitrator under the AFSA rules aforesaid. The place of arbitration shall be in South Africa and the language will be ENGLISH.

29.7 An order or award of the arbitrator that has a monetary value in excess of R12 000 000.00 (12 Million Randa) is subject to the right of appeal by either party to a panel of three arbitrators ("Panel of Appeal") acting, mutatis mutandis, on the terms and conditions set out in this clause 29, provided that such appeal is lodged with the arbitrators within 15 (fifteen) days after the decision of the arbitrator was made known to the parties.

29.8 An order or award that may be made by the Panel that is not appealed in accordance with the provisions of this clause, or if appealed, an order or award that may be made by the Panel of Appeal, shall be carried into effect and shall, in the absence of manifest error, be final and binding upon the parties and may be made an order of court of any competent jurisdiction.

29.9 The provisions of this clause 29 are severable from the remainder of this Agreement and will remain in full force and effect notwithstanding the termination or invalidity of the remainder of this Agreement.

- 29.10 The parties undertake to keep the evidence in any arbitration proceedings and any decision or award of the arbitrator hereunder, private and confidential.
- 29.11 Nothing in this clause 29 shall prevent either of the Parties from approaching a court having jurisdiction for urgent interim relief pending the outcome of arbitration in accordance with this clause 29.

30. PUBLIC RELATIONS AND PUBLICITY

- 30.1 The Seller acknowledges that certain information pertaining to the Project is required to be disclosed in accordance with the statutory reporting obligations of the Purchaser as it may be required to publish from time to time in response to enquiries from:
- 30.1.1 Parliament and its members and officers in accordance with the provisions of the Public Finance Management Act, of 1999; and
- 30.1.2 the Auditor-General under the Public Audit Act, of 2004; and
- 30.1.3 persons acting in the public interest in accordance with the provisions of the Promotion of Access to Information Act, 2000.
- 30.2 Subject to clause 31.5 neither Party shall communicate with representatives of the press, television, radio or other communications media on any matter concerning this Agreement without the prior approval of the other Party, such consent not to be unreasonably withheld.

31. CONFIDENTIALITY

- 31.1 Each Party (“the Receiving Party”) must treat and hold as confidential all information, which they may receive from the other party (“the Disclosing Party”) or which becomes known to them concerning the Disclosing Party during the subsistence of this Agreement and any extension thereof.
- 31.2 The confidential information of the disclosing Party shall, without limitation, include:
- 31.2.1 all software and associated material and documentation, including information contained therein;
- 31.2.2 All information relating to :-
- (i) the disclosing Party’s past, present and future research and development;
 - (ii) the Disclosing Party’s business activities, products, services, customers and Purchasers, as well as its technical knowledge and trade secrets;
 - (iii) the terms and conditions of this Agreement;
 - (iv) Purchaser’s data.
- 31.3 The Receiving Party agrees that in order to protect the proprietary interests of the Disclosing Party in its confidential information:

- 31.3.1 it will only make the confidential information available to those of its Personnel who are actively involved in the execution of this Agreement;
- 31.3.2 it will initiate internal security procedures reasonably acceptable to the Disclosing Party to prevent unauthorized disclosure and will take all practical steps to impress upon those Personnel who need to be given access to confidential information, the confidential nature thereof;
- 31.3.3 subject to the right to make the confidential information available to their Personnel under clause 31.3.1 above, they will not at any time, whether during this Agreement or thereafter, either use any confidential information of the Disclosing Party or directly or indirectly disclose any confidential information of the Disclosing Party to third parties;
- 31.3.4 all written instructions, drawings, notes, memoranda and records of whatever nature relating to the confidential information of the Disclosing Party which have or will come into the possession of the Receiving Party and its Personnel, will be, and will at all times remain, the sole and absolute property of such Party and shall be promptly handed over to such Party when no longer required for the purposes of this Agreement.
- 31.3.5 Upon termination or expiry of this Agreement, the Receiving Party will deliver to the Disclosing Party, or at the Disclosing Party's option, destroy all originals and copies of the Disclosing Party's confidential information in its possession.
- 31.3.6 The foregoing obligations shall not apply to any information which:
- (i) is lawfully in the public domain at the time of disclosure;
 - (ii) subsequently and lawfully becomes part of the public domain by publication or otherwise;
 - (iii) subsequently becomes available to the Receiving Party from a source other than the Disclosing Party, which source is lawfully entitled without any restriction on disclosure to disclose such confidential information; or
 - (iv) is disclosed pursuant to a requirement or request by operation of law, regulation or court order.
- 31.4 Nothing in this Clause shall preclude the Parties from disclosing the confidential information to their professional advisors or financiers in the bona fide course of seeking finance, business and professional advice.
- 31.5 Each Party hereby indemnifies the other Party against any loss or damage, which one Party may suffer as a result of a breach of this Clause by the other Party or its Personnel.
- 31.6 The provisions of this Clause 31 are severable from the rest of the provisions of this Agreement and shall survive its termination and continue to be of full force and effect for a period of 2 (two) years after the date of termination. Notwithstanding the aforementioned, the obligation to keep confidential business and trade secrets shall remain in force for an unlimited period of time.

32. ENTIRE AGREEMENT

32.1 Except where expressly provided otherwise in this Agreement, this Agreement constitutes the entire agreement between the Parties in connection with its subject matter and supersedes all prior representations, communications, negotiations and understandings concerning the subject matter of this Agreement.

32.2 Each of the Parties acknowledges that:

32.2.1 it does not enter into this Agreement on the basis of and does not rely, and has not relied, upon any statement or representation (whether negligent or innocent) or warranty or other provision (in any case whether oral, written, express or implied) made or agreed to by any person (whether a Party to this Agreement or not) except those expressly contained in or referred to in this Agreement, and the only remedy available in respect of any misrepresentation or untrue statement made to it shall be a remedy available under this Agreement; and

32.2.2 this clause 32 shall not apply to any statement, representation or warranty made fraudulently, or to any provision of this Agreement which was induced by fraud, for which the remedies available shall be all those available under any Law governing this Agreement.

33. VARIATION, CANCELLATION AND SUSPENSION

33.1 No agreement varying or cancelling this Agreement, and no suspension of any right under this Agreement shall be effective unless reduced to writing, signed by or on behalf of the Parties and same is duly endorsed on the Agreement.

33.2 The Purchaser has the right to propose Variations to the supply of Goods in accordance with this clause 33.

33.3 All Variations shall only be valid if approved by the Group Chief Executive Officer of Purchaser and reduced in writing.

33.4 If PRASA requires a Variation to the scope of the Contract it must serve a notice in writing to the Seller detailing the requested Variation ("Variation Proposal").

33.5 The Variation Proposal must set out the Variation required in sufficient detail as to enable the Seller to calculate the cost of the Variation Proposal.

33.6 As soon as practicable and in any event within 5 (five) Business Days after having received the Variation Proposal, the Seller shall deliver to Purchaser.

33.6.1 the estimated costs of the Variation Proposal; and

33.6.2 the impact of the Variation Proposal on the Project timelines.

- 33.7 As soon as practicable and in any event within 5 (five) Business Days after receiving the information from the Seller regarding the impact of the Variation Proposal on the Project timelines and the costs, Purchaser shall:
- 33.7.1 confirm its intention in writing to proceed with the Variation Proposal and enter into any documents to amend the Contract as is necessary to give effect to the Variation Proposal; or
- 33.7.2 withdraw the Variation Proposal.

34. SEVERABILITY

Whenever possible, each provision of this Agreement shall be interpreted in a manner which makes it effective and valid under any Applicable Law, but if any provision of this Agreement is held to be illegal, invalid or unenforceable under any Applicable Law, that illegality, invalidity or unenforceability shall not affect the other provisions of this Agreement, all of which shall remain in full force.

35. INDEPENDENT STATUS

- 35.1 Nothing in this Agreement shall be construed as creating a partnership between the Parties and neither Party shall have any authority to incur any liability on behalf of the other or to pledge the credit of the other Party.
- 35.2 It is recorded that it is the intention of the parties to exclude all legal consequences of a partnership.

36. INDEPENDENT ADVICE

Each of the Parties hereby respectively agrees and acknowledges that:

- 36.1 it has been free to secure independent legal advice as to the nature and effect of each provision of this Agreement and that it has either taken such independent legal advice or has dispensed with the necessity of doing so; and
- 36.2 each provision of this Agreement (and each provision of the Annexures) is fair and reasonable in all the circumstances and is part of the overall intention of the Parties in connection with this Agreement.

37. COUNTERPARTS

This Agreement may be executed in any number of identical counterparts, all of which when taken together shall constitute one agreement. Any single counterpart or a set of counterparts taken together which, in either case, are executed by the Parties shall constitute a full original of this Agreement for all purposes.

The Seller:

SIGNED at _____ on _____ 2024

For: Seller

PRINT NAME

DESIGNATION

Who warrants that he is duly authorised

AS WITNESSES:

1. _____

2. _____

The Purchaser: THE PASSENGER RAIL AGENCY OF SOUTH AFRICA,

SIGNED at _____ on _____ 2026

For: PRASA

Who warrants that he is duly authorised

AS WITNESSES:

1. _____

2. _____

ANNEXURE A
DELIVERY SCHEDULE

ANNEXURE B
PAYMENT SCHEDULE

ANNEXURE C
PRICING SCHEDULE

Price

BILL OF QUANTITIES

Give a breakdown of the costs (i.e., a summary of the BOQ where applicable).

ANNEXURE D
SPECIFICATION SCHEDULE

BID NUMBER:

**REQUEST FOR PROPOSAL (RFP) FOR THE
APPOINTMENT OF A PANEL OF SERVICE PROVIDERS
FOR THE SUPPLY AND DELIVERY OF PLUMBING
MATERIALS ON AN AS AND WHEN REQUIRED BASIS
FOR A PERIOD OF 36 MONTHS IN THE KZN REGION**

CLOSING DATE	
CLOSING TIME	
BRIEFING SESSION	
	DATE:
	TIME:
BID DOCUMENTS DELIVERY ADDRESS	PASSENGER RAIL AGENCY OF SOUTH AFRICA TENDER BOX NO. PRASA RAIL KZN 65 MASABALALA YENGWA AVENUE GREYVILLE DURBAN STATION

Disclaimer

This document is provided solely for the purpose set out in this RFP and is not intended to form any part or basis of any investment decision by Bidders. The recipient should not consider the document as an investment recommendation by PRASA or any of its advisers.

Each person to whom this document (and other later documents) is made available must make his own independent assessment of the Project after making such investigation and taking such professional advice as he/she or it deems necessary. Neither the receipt of this document or any related document by any person, nor any information contained in the documents or distributed with them or previously or subsequently communicated to any Bidder or its advisers, is to be taken as constituting the giving of an investment advice by PRASA or its advisers.

Whilst reasonable care has been taken in preparing this RFP and other documents, they do not purport to be comprehensive or true and correct. Neither PRASA nor any of its advisers accept any liability or responsibility for the adequacy, accuracy or completeness of any of the information or opinions stated in any document.

They acquaint themselves with this RFP and take note that no representation or warranty, express or implied, is or will be given by PRASA, or any of its officers, employees, servants, agents or advisers with respect to the information or opinions contained in any document or on which any document is based. Any liability in respect of such representations or warranties, howsoever arising is hereby expressly disclaimed.

If any recipient, or its employees, advisers or agents make or offers to make any gift to any of the employees of PRASA or consultant to PRASA on the RFP either directly or through an intermediary then such recipient, Bidder will be disqualified forthwith from participating in the RFP.

Each recipient of this RFP agrees to keep confidential any information of a confidential nature which may be contained in the information provided (the "Confidential Information Provided"). The

Confidential Information provided may be made available to Bidder's subcontractors, employees and professional advisers who are directly involved in the appraisal of such information (who must be made aware of the obligation of confidentiality) but shall not, either in the whole or in part, be copied, reproduced, distributed or otherwise made available to any other party in any circumstances without the prior written consent of PRASA, nor may it be used for any other purpose than that for which it is intended.

These requirements do not apply to any information, which is or becomes publicly available or is shown to have been made available (otherwise than through a breach of a confidentiality obligation). Bidders, Key Contractors and their constituent members, agents and advisers, may be required to sign confidentiality Contracts/undertakings (in such form as PRASA may require from time to time).

All Confidential Information Provided (including all copies thereof) remains the property of PRASA and must be delivered to PRASA on demand. Further, by receiving this RFP each Bidder and each of its members agrees to maintain its submission in Bid to this RFP confidential from third parties other than PRASA and its officials, officers and advisers who are required to review the same for the purpose of procurement of the RFP.

Any recipient residing outside the Republic of South Africa is urged to familiarise themselves with and to observe any regulatory requirements relevant to the proposed transaction (whether these derive from a regulatory authority within or outside the Republic of South Africa).

Any requirement set out in this RFP regarding the content of a response to the RFP is stipulated for the sole benefit of PRASA, and serves as expressly stated to the contrary, may be waived at its discretion at any stage in the procurement process.

PRASA is not committed to any course of action as a result of its issuance of this RFP and/or its receipt of a Proposal in response to it. Please note that PRASA reserves the right to:

- Modify the RFP's goods / service(s) / works and request Respondents to re-bid on any changes;
- Withdraw, amend the RFP at any time without prior notice and liability to compensate or reimburse any respondent;
- Reject any Proposal which does not conform to instructions and specifications which are detailed herein
- Disqualify Proposals submitted after the stated submission deadline;
- Call a respondent to provide additional documents which PRASA may require which have not been submitted to PRASA.
- Withdraw the RFP on good cause shown;
- Award a contract in connection with this Proposal at any time after the RFP's closing date;
- Make no award at all;
- Validate any information submitted by Respondents in response to this bid. This would include, but is not limited to, requesting the Respondents to provide supporting evidence. By submitting a bid, Respondents hereby irrevocably grant the necessary consent to PRASA to do so;
- Request annual financial statements prepared and signed off by a professional accountant or other documentation for the purposes of a due diligence exercise; and/or
- Not accept any changes or purported changes by the Respondent to the bid rates after the closing date and/or after the award of the business, unless the contract specifically provided for it.

To adopt any proposal made by any bidder at any time and to include such proposal in any procurement document which may or may not be made available to other bidders.

All costs and expenses incurred by Bidders in submitting responses to this RFP shall be borne by the Bidders and PRASA shall not be liable for any costs or expenses whatsoever or any claim for reimbursement of such costs or expenses.

Should a contract be awarded on the strength of information furnished by the Respondent, which after conclusion of the contract, is proved to have been incorrect, PRASA reserves the right to cancel the contract and/or place the Respondent on PRASA's list of Restricted Suppliers.

PRASA reserves the right to negotiate market-related price with the bidder scoring the highest points or cancel the bid; if the bidder does not agree to a market related price, negotiate a market related price with the bidder scoring the second highest points or cancel the bid; if the bidder scoring the second highest points does not agree to a market related price, negotiate a market related price with the bidder scoring the third highest points or cancel the bid. If the market related price is not agreed as envisaged in this paragraph, PRASA will cancel the bid.

PRASA reserves the right to negotiations Best and Final Offer (BAFO) with selected Respondents where none of the Proposals meet RFP requirement, are affordable and demonstrate value for money and there is no clear preferred response to the RFP

PRASA will not reimburse any Respondent for any preparatory costs or other work performed in connection with its Proposal, whether or not the Respondent is awarded a contract.

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LIST OF BID DOCUMENTS

INVITATION TO BID PART A **Form A**

TERMS AND CONDITIONS FOR BIDDING PART B **Form B**

TENDER FORM (PRICING SCHEDULE) **Form C**

BRIEFING/SITE INSPECTION CERTIFICATE **Form D**

**STATEMENT OF WORK SUCCESSFULLY
CARRIED OUT BY BIDDER** **Form E**

SECURITY SCREENING FORM **Form F**

ACKNOWLEDGEMENT **Form G**

SBD 4 BIDDER'S DISCLOSURE

**SBD 6.1 PREFERENCE POINTS CLAIM FORM IN TERMS OF THE
PREFERENTIAL PROCUREMENT REGULATIONS 2022**

1 LIST OF ANNEXURES TO THE rfp

Draft Contract

Annexure 2

RFP CLARIFICATION FORM

Annexure 3

Acronyms

BBBEE

Broad Based-Black Economic Empowerment

CIDB

Construction Industries Development Board

DtiC

The Department of Trade and Industry and Competition

PPPFA
from

Preferential Procurement Policy Framework Act 5 of 2000 (as amended
time to time)

PFMA
time)

Public Finance Management Act No.1 of 1999 (as amended from time to

PRASA

Passenger Rail Agency of South Africa

RFP

Request for Proposal

SANAS

South African National Accreditation System

2 Interpretation

In this RFP, unless inconsistent with or otherwise indicated by the context –

- 4.1 headings have been inserted for convenience only and should not be taken into account in interpreting the RFP;
- 4.2 any reference to one gender shall include the other gender;
- 4.3 words in the singular shall include the plural and vice versa;
- 4.4 any reference to natural persons shall include legal persons and vice versa;
- 4.5 words defined in a specific clause have the same meaning in all other clauses of the RFP, unless the contrary is specifically indicated;
- 4.6 any reference to the RFP, schedule or appendix, shall be construed as including a reference to any RFP, schedule or appendix amending or substituting that RFP, schedule or appendix;
- 4.7 the schedules, appendices and Briefing Notes issued pursuant to this RFP, form an indivisible part of the RFP and together with further clarifying and amending information provided by PRASA, constitute the body of RFP documentation which must be complied with by Bidders;
- 4.8 in the event of any inconsistency between this RFP or other earlier information published with regard to the Project, the information in this RFP shall prevail; and
- 4.9 this RFP shall be governed by and applied in accordance with South African law.

3 Definitions

In this RFP and in any other project documents (as defined below) which so provides, the following words and expressions shall have the meaning assigned to them below and cognate expressions shall have a corresponding meaning, unless inconsistent with the context:

- 5.1 “Accounting Authority” means the Board of PRASA;
- 5.2 “Contract” means the Contract to be entered between PRASA and the successful Bidder for the provision of the *services* procured in this RFP.
- 5.3 “Bid” means the Bid to the RFP submitted by Bidders;
- 5.4 “Bidders Briefing Session” means the compulsory briefing session to be held at the offices of PRASA, in order to brief the Bidders about this tender;
- 5.5 “Black Enterprise” means an enterprise that is at least 51% beneficially owned by Black People and in which Black People have substantial Management Control. Such beneficial ownership may be held directly or through other Black Enterprises;
- 5.6 “Black Equity” means the voting equity held by Black People from time to time;
- 5.7 “Black People” has the same meaning as ascribed to the Broad-Based Black Economic Empowerment Act, 2003, as amended .
- 5.8 “Black Woman” means African, Coloured and Indian South Africa Female citizen;
- 5.9 “Briefing Note” means any correspondence to Bidders issued by the PRASA;
- 5.10 “Business Day” means any day except a Saturday, Sunday or public holiday in South Africa;
- 5.11 “Bidders” means individuals, organisations or consortia that have been submitted responses to the RFP in respect of the tender;
- 5.12 “Consortium” means any group of persons or firms jointly submitting a Bid as Bid to this RFP and “Consortia” means more than one Consortium;
- 5.13 “Contractor” the successful Bidders who has signed a Contract with PRASA in terms of this RFP.
- 5.14 “Closing Date” means the closing date for submission of bids/ Proposals by Bidders which is
- 5.15 “Project” means this project for the REQUEST FOR PROPOSAL–
- 5.16 TENDER NUMBER:
- 5.17 “RFP” means the Request for Proposals issued by PRASA for this tender; and
- 5.18 “Scope of Work” means the scope of work for this project as detailed out in the RFP technical specifications.

SECTION 1

NOTICE TO BIDDERS

1 INVITATION TO BID

You are hereby invited to submit a bid to meet the requirements of the Passenger Rail Agency of South Africa. Responses to this RFP [hereinafter referred to as a **Bid** or a **Proposal**] are requested from persons, companies, close corporations, or enterprises [hereinafter referred to as an **entity, Bidder**].

BID DESCRIPTION	APPOINTMENT OF A PANEL OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF PLUMBING MATERIALS ON AN AS AND WHEN REQUIRED BASIS FOR A PERIOD OF 36 MONTHS IN THE KZN REGION
BID ADVERT	This RFP may be downloaded directly from National Treasury's e-Tender Publication Portal at www.etenders.gov.za free of charge. With effect from
ISSUE DATE	
COLLECTION DATE DEADLINE (NOT APPLICABLE)	
BRIEFING SESSION	
CLOSING DATE	Bidders must ensure that bids are delivered timeously to the correct address. As a general rule, if a bid is late or delivered to the incorrect address, it will not be accepted for consideration.
VALIDITY PERIOD	90 Working Days from Closing Date

	Bidders are to note that they may be requested to extend the validity period of their bid, at the same terms and conditions, if the internal evaluation process has not been finalised within the validity period.
CLOSING DATE FOR QUESTIONS	
CLOSING DATE FOR RESPONSES	
CONTACT PERSON	

Any additional information or clarification will be emailed to all Respondents, if necessary.

2 FORMAL BRIEFING

A compulsory pre-proposal RFP briefing will be conducted at PRASA RAIL KZN, 65 Masabalala Yengwa Avenue, Greyville, Durban Station on the[Respondents to provide own transportation and accommodation]. The briefing session will start punctually, and information will not be repeated for the benefit of Respondents arriving late.

2.1 *A Certificate of Attendance in the form set out in Form D be completed and submitted with your Proposal as proof of attendance is required for a compulsory site meeting and/or RFP briefing.* Bidders must also appear on the Compulsory Briefing session Register.

2.2 Respondents failing to attend the compulsory RFP briefing may be disqualified.

BRIEFING SESSION MINUTES AND NOTES

2.3 PRASA will issue briefing session minutes or notes together with the response to the clarification questions

2.4 Clarifications will be issued to all Respondents to this RFP utilizing the contact details provided at receipt of the responses to the RFP documentation, after submission to the authorised representative.

2.5 Bidders / Respondents are requested to promptly confirm receipt of any clarifications sent to them.

2.6 Bidders / Respondents must ensure responses to the clarifications are received on or before the deadline date stated.

3 PROPOSAL SUBMISSION OF RFP RESPONSE

Proposal Responses should be submitted to PRASA in a sealed envelope addressed as follows:

The Secretariat

RFP No:

Description of Bid

Closing date and time:

Closing address *PRASA KZN, 65 Masabalala Yengwa Avenue, Greyville, Durban Station, Roof Level Entrance*

4 DELIVERY INSTRUCTION FOR RFP

Delivery of Bid

The Bid envelopes should be deposited in the PRASA tender Box no.... which is located at the main entrance of the PRASA KZN RAIL and should be addressed as follows:

THE SECRETARIAT

PRASA RAIL KZN
65 MASABALALA YENGWA AVENUE
GREYVILLE
DURBAN STATION
4001

4.1 B-BBEE Joint Ventures or Consortiums

Respondents who would wish to respond to this RFP as a Joint Venture [**JV**] or consortium with B-BBEE entities, should state their intention to do so in their RFP submission. Such Respondents should also submit a signed JV or consortium agreement between the parties clearly stating the percentage [%] split of business and the associated responsibilities of each party. If such a JV or consortium agreement is unavailable, the partners should submit confirmation in writing of their intention to enter into a JV or consortium agreement should they be awarded business by PRASA through this RFP process. This written confirmation should clearly indicate the percentage [%] split of business and the responsibilities of each party. In such cases, award of business will only take place once a signed copy of a JV or consortium agreement is submitted to PRASA.

5 COMMUNICATION

- 5.1** For specific queries relating to this RFP during the RFP process, bidders are required to adhere strictly to the communication structure requirements. An RFP Clarification Form should be submitted tobefore or onsubstantially in the form set out in **Annexure 3** hereto.
- 5.2** In the interest of fairness and transparency PRASA's response to such a query will be made available to the other Respondents who have attended a compulsory and a non-compulsory briefing session. For this purpose PRASA will communicate with Respondents using the contact details provided at the compulsory and a non-compulsory briefing session.
- 5.3** After the closing date of the RFP, a Respondent may only communicate in writing with the Bid Secretariat, at telephone numberemailon any matter relating to its RFP Proposal.

5.4 Respondents are to note that changes to its submission will not be considered after the closing date.

5.5 Respondents are warned that a response will be liable for disqualification should any attempt be made by a Respondent either directly or indirectly to canvass any officer(s) or employee of PRASA in respect of this RFP between the closing date and the date of the award of the business. Furthermore, Respondents found to be in collusion with one another will automatically be disqualified and restricted from doing business with PRASA in future.

5.6 Bidders are advised utilize this email address (SCM.Complaints@prasa.co.za) for lodging of complaints to PRASA in relation to this bid process. The following minimum information about the bidder must be included in the complaint:

7.6.1 Bid/Tender Description

7.6.2 Bid/Tender Reference Number

7.6.3 Closing date of Bid/Tender

7.6.4 Supplier Name;

7.6.5 Supplier Contact details

7.6.6 The detailed complaint

6 CONFIDENTIALITY

6.1 PRASA shall ensure all information related to this RFP is to be treated with strict confidence. In this regard Respondents / Bidders are required to certify that they have acquainted themselves with the Non-Disclosure Agreement All information related to a subsequent contract, both during and after completion thereof, will be treated with strict confidence. Should the need however arise to divulge any information gleaned from provision of the Services , which is either directly or indirectly related to PRASA's business, written approval to divulge such information should be obtained from PRASA.

6.2 Respondents must clearly indicate whether any information submitted or requested from PRASA is confidential or should be treated confidentially by PRASA. In the absence of any

such clear indication in writing, PRASA shall deem the response to the RFP to have waived any right to confidentiality and treat such information as public in nature.

7 INSTRUCTIONS FOR COMPLETING THE RFP

7.1 All responses to the RFP should be submitted in two sealed envelopes/boxes; the first envelop/box shall have the technical and compliance response, the second envelop/box shall only have the financial response and BBBEE response.

7.2 Bidders are required to package their response/Bid as follows:

Volume 1 (Envelop 1/Package 1)

- Part A: Mandatory Requirements Response

Part B: Technical or Functional Response (response to scope of work)

Volume 2 (Envelop 2/ Package 2)

- Part C: Financial Proposal and Specific Goals

Volume 2 should be submitted in a separate sealed envelope. Bidders should make their pricing offer in envelop 2/package 2.

7.3 Bidders must submit 1 original response and may submit copies and an electronic version which must be contained in a Memory Card/External hard drive etc clearly marked in the Bidders name. PRASA reserves the right to consider information provided in all formats irrespective the format i.e original/copy/electronic.

7.4 Bidders should ensure that their response to the RFP is in accordance with the structure of this document.

7.5 Where Bidders are required to sign forms they are required to do so using preferably black ink pen.

- 7.6** Any documents forming part of the original responses to RFP but which are not original in nature, should be certified as a true copy by a Commissioner of Oaths.
- 7.7** Each response to RFP must be in English and submitted in A4 format, except other graphic illustrations, which may not exceed A3 format, unless the contrary is specifically allowed for in this RFP. Responses to RFP should be neatly and functionally bound, preferably according to their different sections.
- 7.8** The original responses to RFP must be signed by a person duly authorized by each consortium member and Subcontractor to sign on their behalf, which authorization must form part of the responses to RFP as proof of authorization. By signing the responses to RFP the signatory warrants that all information supplied by it in its responses to RFP is true and correct and that the responses to RFP and each party whom the responses to RFP signatory represents, considers themselves subject to and bound by the terms and conditions of this RFP.
- 7.9** The responses to RFP formulation should be clear and concise and follow a clear methodology which responses to RFP should explain upfront in a concise Executive Summary and follow throughout the responses to RFP.
- 7.10** Responses to RFP must provide sufficient information and detail in order to enable PRASA to evaluate the responses to RFP, but should not provide unnecessary detail which does not add value and detracts from the ability of PRASA to effectively evaluate and understand the responses to RFP. The use of numbered headings, bullet points, sections, appendices and schedules are encouraged.
- 7.11** Information submitted as part of a responses to RFP should as far as possible, be orderly according to the order of the required information requested by PRASA. All pages should be consecutively numbered.
- 7.12** Responses to RFP should ensure that each requirement contained in the RFP is succinctly addressed. Responses to RFP should as far as possible use the terms and definitions applied in this RFP and should clearly indicate its interpretation of any differing terminology applied.
- 7.13** Response to RFP documents are to be submitted to the address specified in [this RFP](#), and Bidders should ensure that the original and copies (where applicable) are identical

in all respects as PRASA will not accept any liability for having disqualified a bidder for failing to provide a mandatory returnable document.

7.14 Unless otherwise expressly stated, all Proposals furnished pursuant to this RFP shall be deemed to be offers. Any exceptions to this statement must be clearly and specifically indicated.

7.15 Any additional conditions must be embodied in an accompanying letter. Subject only to clause 16 [Alterations made by the Respondent to Bid Prices] of the General Bid Conditions, alterations, additions or deletions must not be made by the Respondent to the actual RFP documents.

7.16 Bidders are required to review the Contract. Bidders may further amend and or delete any part of the Draft Contract where they deem fit to do so. Where Bidders have amended and or deleted any part of the Contract, it must be clearly visible by using track changes and must ensure that the disc copy of their bid submission for the Draft Contract is in word version and not password protected. It must be noted that the marked up Contract will form part of contract negotiations processes with the preferred bidder.

8 RFP TIMETABLE

PRASA may at its sole discretion amend any of the milestone dates indicated in the table below. Bidders will be informed of any amendments to the timeline through the issue of the Addendum.

RFP PROCESS	MILESTONE DATES
Bid issue date	
Briefing Session for Bidders	
Closing date for Questions	

Closing date for Responses	
Closing Date for Submission of final Bid	
Evaluation of Proposals (Bidders note that PRASA may call for Presentation of bidders offers at any stage of the evaluation process)	TBA
Appointment of the successful Bidder	TBA
Contract Negotiations	TBA
Signing of Contract	TBA
Contract Commencement	TBA

9 LEGAL COMPLIANCE

Bidders should ensure that they comply with all the requirements of the RFP and if Bidders fail to submit any of the required documents, such Bids may, at the sole discretion of PRASA, be disqualified . PRASA reserves the right to call a Bidder to provide additional documents which may have not been submitted.

The successful Bidder [hereinafter referred to as the **Service Provider**] shall be in full and complete compliance with any and all applicable laws and regulations.

10 NATIONAL TREASURY'S CENTRAL SUPPLIER DATABASE

Respondents are required to self-register on National Treasury's Central Supplier Database (CSD) which has been established to centrally administer supplier information for all organs of state and facilitate the verification of certain key supplier information. Only foreign suppliers with no local registered entity need not register on the CSD. The CSD can be accessed at <https://secure.csd.gov.za>. Respondents are required to provide the following to PRASA in order to enable it to verify information on the CSD:

Supplier Number:Unique registration reference number: _____.

11 TAX COMPLIANCE

Respondents must be compliant when submitting a proposal to PRASA and remain compliant for the entire contract term with all applicable tax legislation, including but not limited to the Income Tax Act, 1962 (Act No. 58 of 1962) and Value Added Tax Act, 1991 (Act No. 89 of 1991).

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

The Tax Compliance status requirements are also applicable to foreign Respondents/ individuals who wish to submit bids.

Respondents are required to be registered on the Central Supplier Database (CSD) as indicated in paragraph 12 and the National Treasury shall verify the Respondent's tax compliance status through the Central Supplier Database (CSD).

Where Consortia / Joint Ventures / Sub-contractors are involved, each party must be registered on the Central Supplier Database (CSD) and their tax compliance status will be verified through the Central Supplier Database (CSD).

For this purpose, the attached **SBD 1 must be completed and submitted as an essential returnable document by the closing date and time of the bid.**

New Tax Compliance Status (TCS) System

SARS has implemented a new Tax Compliance Status (TCS) system in terms of which a taxpayer is now able to authorise any 3rd party to verify its compliance status in one of two ways: either through the use of an electronic access PIN, or through the use of a Tax Clearance Certificate obtained from the new TCS system.

Respondents are required to provide the following to PRASA in order to enable it to verify their tax compliance status:

Tax Compliance Status (TCS) Pin: 2D754242EY.

12 PROTECTION OF PERSONAL DATA

In responding to this bid, PRASA acknowledges that it may obtain and have access to personal data of the Respondents. PRASA agrees that it shall only process the information disclosed by Respondents in their response to this bid for the purpose of evaluating and subsequent award of business and in accordance with any applicable law. Furthermore, PRASA will not otherwise modify, amend or alter any personal data submitted by Respondents or disclose or permit the disclosure of any personal data to any Third Party without the prior written consent from the Respondents. Similarly, PRASA requires Respondents to process any personal information disclosed by PRASA in the bidding process in the same manner.

SECTION 2

BACKGROUND OVERVIEW AND SCOPE REQUIREMENTS