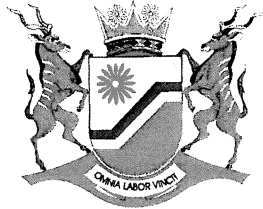


MPUMALANGA PROVINCIAL GOVERNMENT



DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS

BID NUMBER: ALA/553/22/MP

**CALL FOR PROPOSAL OF STRATEGIC INVESTMENT PARTNERS AND
PARTICIPATING FUNDING INSTITUTIONS IN THE AGRICULTURE
AND AGRO-PROCESSING SECTOR TO SUPPORT WITH PRIMARY
INVESTMENT FARMING INFRASTRUCTURE, MECHANIZATION,
PRODUCTION INPUTS, TRAINING AND CAPACITY BUILDING AS
WELL AS MARKET LINKAGES FOR INVESTEE/ FARMER WITHIN THE
LAND REFORM SPACE OVER THE MEDIUM TERM PERIOD OF TEN
(10) TO TWENTY (20) YEARS**

ISSUED BY:

Department of Agriculture, Rural development Land & Environmental Affairs
Private Bag X11219
Mbombela
1200

NAME OF BIDDER:

TOTAL BID PRICE (all inclusive) :.....

(Also in words):

.....

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS					
BID NUMBER:	ALA/553/22/MP	CLOSING DATE: 18 OCTOBER 2022	CLOSING TIME:	12H00	
DESCRIPTION	CALL FOR PROPOSAL OF STRATEGIC INVESTMENT PARTNERS AND PARTICIPATING FUNDING INSTITUTIONS IN THE AGRICULTURE AND AGRO-PROCESSING SECTOR TO SUPPORT WITH PRIMARY INVESTMENT FARMING INFRASTRUCTURE, MECHANIZATION, PRODUCTION INPUTS, TRAINING AND CAPACITY BUILDING AS WELL AS MARKET LINKAGES FOR INVESTEE/ FARMER WITHIN THE LAND REFORM SPACE OVER THE MEDIUM TERM PERIOD OF TEN (10) TO TWENTY (20) YEARS				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
MBOMBELA , Riverside Government Complex, Building No 9, Government Boulevard, Mbombela, 1200, PIET RETIEF , No. 11 Measroch Street, Piet Retief Office, KWAMHLANGA , KwaMhlanga Government Complex, Department of Finance, Building No. 12, Computer Centre EVANDER , 10 Cornell Road (previously occupied by Evander Home Affairs Offices), Evander, 2280, BUSHBUCKRIDGE , Bushbuckridge Advice Centre, Department of Finance, Protea building (old Telkom building), MIDDELBURG , Department of Public Works, Cnr. Lillian Ngoyi and Dr Beyers Naudé Streets – Old TPA Building, Upper ground floor, Office numbers A20, 21 and 25, MALELANE , 24 Air Street, Malelane, ELUKWATINI , Elukwatini Sub Regional offices, Office numbers A49 and A50 (opposite Elukwatini Community Hall) Stand number 12 Extension A, Elukwatini.					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	Ms SD Maleni		CONTACT PERSON	Ms. Z masia	
TELEPHONE NUMBER			TELEPHONE NUMBER	013 766 6323	
CELL. NUMBER	082 432 7088		CELL. NUMBER		
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	maleniSD@mpg.gov.za		E-MAIL ADDRESS	zmasia@mpg.gov.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT <input type="checkbox"/> Yes <input type="checkbox"/> No		[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					

PART B TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.
1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).
2. TAX COMPLIANCE REQUIREMENTS
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA .
2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

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

DATE:

MPUMALANGA PROVINCIAL GOVERNMENT



DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS BID DOCUMENT

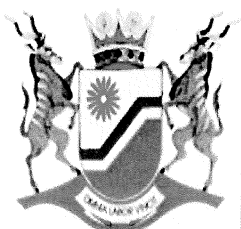
**CALL FOR PROPOSAL OF STRATEGIC INVESTMENT PARTNERS AND PARTICIPATING
FUNDING INSTITUTIONS IN THE AGRICULTURE AND AGRO-PROCESSING SECTOR TO
SUPPORT WITH PRIMARY INVESTMENT FARMING INFRASTRUCTURE,
MECHANIZATION, PRODUCTION INPUTS, TRAINING AND CAPACITY BUILDING AS
WELL AS MARKET LINKAGES FOR INVESTEE/FARMER WITHIN THE LAND REFORM
SPACE OVER THE MEDIUM TERM PERIOD OF TEN (10) TO TWENTY (20) YEARS**

NAME OF BIDDER: _____

BID AMOUNT: _____

TEL NUMBER: _____

FAX NUMBER: _____



PREPARED BY:

**HEAD: AGRICULTURE, RURAL DEVELOPMENT, LAND & ENVIRONMENTAL AFFAIRS
PRIVATE BAG X 11219
MBOMBELA, 1200**

CONTACT: Ms NF Mafu / Ms Z Masia

PHONE: 082 584 7608 / 013 766 6323

CLOSING DATE: AS PER BID BULLETIN AND THE BID IS VALID FOR 90 DAYS

The Mpumalanga Department of Agriculture, Rural Development, Land and Environmental Affairs invite bids for the **CALL FOR PROPOSAL OF STRATEGIC INVESTMENT PARTNERS AND PARTICIPATING FUNDING INSTITUTIONS IN THE AGRICULTURE AND AGRO-PROCESSING SECTOR TO SUPPORT WITH PRIMARY INVESTMENT FARMING INFRASTRUCTURE, MECHANIZATION, PRODUCTION INPUTS, TRAINING AND CAPACITY BUILDING AND MARKET LINKAGES FOR INVESTEE/FARMER WITHIN THE LAND REFORM SPACE OVER THE MEDIUM TERM PERIOD OF TEN (10) TO TWENTY (20) YEARS**

BID documents will be obtainable from the following supply chain management offices **Mbombela Riverside Government Complex, Malelane 24 Air Street, Siyabuswa Old Parliament Building, Middleburg Department of Public Works, KwaMhlanga Government Complex Department of Finance, Piet Retief no. 11 Mearsorch Street, Evander 10 Cornell Road, Elukwatini Sub-Regional Offices and Bushbuckridge Advice Centre, Department of Finance**, on payment of a non-refundable levy of R100.00 or can be downloaded at <https://etenders.treasury.gov.za/> Only bank guaranteed cheques or cash will be accepted and document can be collected between 7:45 and 16:00 Cheques shall be made payable to Mpumalanga Provincial Government.

The closing date for receipt of bids is as per the bid bulletin.

Duly completed BIDs enclosed in a sealed envelope marked **“CALL FOR PROPOSAL OF STRATEGIC INVESTMENT PARTNERS AND PARTICIPATING FUNDING INSTITUTIONS IN THE AGRICULTURE AND AGRO-PROCESSING SECTOR TO SUPPORT WITH PRIMARY INVESTMENT FARMING INFRASTRUCTURE, MECHANIZATION, PRODUCTION INPUTS, TRAINING AND CAPACITY BUILDING AS WELL AS MARKET LINKAGES FOR INVESTEE/FARMER WITHIN THE LAND REFORM SPACE OVER THE MEDIUM TERM PERIOD OF TEN (10) TO TWENTY (20) YEARS”** with the name of the Bidder, shall be deposited in the clearly marked BID boxes provided at the following **Supply Chain Offices: Mbombela, Malelane, Bushbuckridge, KwaMhlanga, Middleburg, Piet Retief and Evander**. The BIDs will be opened in public.

Telegraphic, telephonic, telex, facsimile, e-mail and late bids WILL NOT be accepted.

Bidders should ensure that bids are delivered on time to the correct address. If the bid is late, it will not be accepted for consideration. All documentation submitted in response to this bid must be in English, unless otherwise indicated under technical specification.

Compulsory Briefing session will be conducted as per Bid Bulletin at **DARDLEA Ehlanzeni District Office, Cycad Building (Block 4), 1 Aqua Street, Riverside, Nelspruit, Mbombela**

CALL FOR PROPOSAL OF STRATEGIC INVESTMENT PARTNERS AND PARTICIPATING FUNDING INSTITUTIONS IN THE AGRICULTURE AND AGRO-PROCESSING SECTOR TO SUPPORT WITH PRIMARY INVESTMENT FARMING INFRASTRUCTURE, MECHANIZATION, PRODUCTION INPUTS, TRAINING AND CAPACITY BUILDING AS WELL AS MARKET LINKAGES FOR INVESTEE/FARMER WITHIN THE LAND REFORM SPACE OVER THE MEDIUM TERM PERIOD OF TEN (10) TO TWENTY (20) YEARS

1. INTRODUCTION

Pursuant to Provincial Proclamation 63 of 29 November 2019 ("the Proclamation"), Premier Refilwe Maria Mtshweni-Tsipane transferred, with effect from 1 April 2020, the duty to implement, manage and oversee the School Nutrition Programme ("NSNP") in Mpumalanga from the Department of Education to the Department of Agriculture, Rural Development, Land and Environmental Affairs ("the Department"), in terms of section 132(2) of the Constitution of the Republic of South Africa of 1996 ("the Constitution"), read with section 137 thereto, section 3A(b) of the Public Service Act of 1994 and Treasury Regulation 6.5 of the Treasury Regulations of 2005.

Subsequent thereto, the Executive Council Lekgotla resolved, by way of the Cabinet Lekgotla Resolution of 1 to 2 July 2019 ("the Resolution"), to vest in the Department the oversight role over the Government Nutrition Programme ("GNP") formerly held by the Mpumalanga Economic Growth Agency ("MEGA"). In keeping with these duties and functions, and pursuant to its commitment to achieving economic stimulation and recovery, the Department has developed the following five-step approach based on its Shared Revenue Generation Model:

- 1.1 Step one is aimed at revitalizing the agricultural industry by making use of arable farms, particularly those situated in and around the Mpumalanga Province that were restituted and redistributed to Communal Property Associations as part of the broader government

land reform initiative, the Pro-active Land Acquisition Strategy (PLAS) farms as well as State land held by traditional authorities for community agricultural benefit but which now lie fallow.

- 1.2 Step two, seeks to legislate, in line with sections 9, 10, 22, 217(2)(b) read with 36(1) of the Constitution, the Mpumalanga Provincial Government Nutrition Sourcing Bill for procurement under the Proclamation and the Resolution a provincial law of general application aimed at addressing the market domination of the retail sector by a dominant few and provide for Agri-hubs as the public sector markets, a marketing structure wherein farmers aggregate products for distribution and sourcing by the various client departments and their service providers of the selected agricultural commodities for the supply of the Government Nutrition Programme, amongst others.
- 1.3 Step three is geared towards facilitating, subject to the provisions of the Public Finance Management Act 1 of 1999, Regulation 19 thereunder and the Mpumalanga Economic Growth Agency Act 1 of 2010, a service-level agreement between the Department, MEGA and the provincial Department of Economic Development and Tourism concerning Agri-hubs trading entity status.
- 1.4 Step four involves inviting strategic investment partners to invest, through Agri-hubs, in infrastructure development and operations, thereby facilitating direct on-farm development investment over the medium to long-term all requisite infrastructure capabilities aimed at ensuring farm-level economic transformation geared towards revitalizing the province's agricultural industry, which plan entails among others prioritizing and directing factor inputs (funding and training) along with the province's agricultural product demand to the crop supplied by emerging farmers and seeks to position these hubs as public private partnerships to ensure the sustainability and competitiveness of the province's agricultural value chain.
- 1.5 Lastly, step five necessitates revenue sharing between the provincial government, farmers and strategic investment partners.

2. OBJECTIVES OF THE AGRICULTURAL INVESTORS

As stated above, the Department seeks to turn the over 533 639 hectares of arable land held by 428 CPA's and 110 433 beneficiaries yet fallow farms in Mpumalanga Province to be economically active again. To this end, potential investors would need to:

- 2.1. Provide financial backing to on-farm infrastructure, mechanization, pertinent irrigation systems and production inputs to support the farming leg of commodity production.
- 2.2. Provide financial support for infrastructure development including pack-houses for agro-processing and packaging of produce for supply and distribution to client departments.
- 2.3. Provide support to supply agricultural produce in the local and international markets.
- 2.4. Contribute towards the creation of jobs in and around the Mpumalanga Province.

3. TERMS OF REFERENCE

Pursuant to the above, the potential investment partners will be expected to focus, among others on the following key areas of the transformation plan for effectiveness and sustainability:

3.1 Agricultural Supply and Demand;

Properly contextualized, a clearly crafted supply and demand plan is crucial to design the agricultural value chain, infrastructure and to provide investors with a commercially feasible business case that is based on sound fundamentals. For instance, the major off-taker for the produce will be the Government Nutrition Programme, which Programme will require in the main the supply and provision of the following commodities segmented below in terms of the commodity category, the quantity required per week as well as the hectares of land required to grow and produce the said quantities within the requisite time frames.

Commodities	Ha	Yield/ha
1.Grains & Field crops (ton)		
White Maize	800	4
Dry beans (10kg bags)	200	300
Potato	317	25
2.Vegetables:		
Cabbage (per head)	418	30 000
Onions (10kg bag)	59	1 500

Commodities	Ha	Yield/ha
Green peppers (20kg crate)	60	1 000
Tomatoes (20kg crate)	174	1 500
Spinach (per bunch)	140	7 000
Lettuce (per head)	94	12 000
Beetroot (10kg bag)	89	1 200
Cucumber (each)	32	12 000
Butternut (10kg bag)	200	1 200
Pumpkin (10kg bag)	25	1 200
Gem squash (10kg bag)	18	1 200
Green beans (10kg crate)	30	400
Carrots (10kg bag)	18	2 000
Baby Marrows (10kg bag)	20	800
Crushed garlic (kg)	5	14 000
Mushrooms (kg) controlled structure		1 000
3. Fruits:		
Oranges (10kg bag)	142	5 000
Apples (7kg bag)	168	1 771
Bananas (20kg crate)	44	2 743

Given the crop types and the fact that, the major off-taker for the produce is the Government Nutrition Programme, processing and packaging facilities will need to be established as part of the project at significant capital expenditure. As such it is important that, the investor quantifies and provide for the relevant investment on the capital expenditure required for the processing and packaging of the produce.

Detailed below is the actual supply and demand for the various commodities per crop type and requirement per ha to meet the Department of education's demand at a 50% produce only, which reflect the extent of and output metrics necessary to determine the length and sustainability of produce critical in ensuring sustainable output by the farmers over the long term.

Agricultural Food Basket (CALM) 12 Months Cashflow outlook with Agri-hub projected income @ 50% procurement from DoE

Commodity	Ht under production	Rotations per year	Effective land area worked	Yield/ha	Unit	Price/unit in Rands	Gross income/ha	Production cost/ha	Net income/ha	Total production cost	Loan repayment for 12 Months	Quantity/6 Month Cycle	Quantity/12 Month cycle	Units per annum at production efficiency level	DOE Demand Vegetables(weekly) @100%	DOE Demand Vegetables(weekly) @50%	DOH Demand Veg	Total supply per week to the Agri-hub (DOE & DOH)	Agent fee 12.5% (AGRIBUS) INCOME PER WEEK	Agent fee 12.5% (AGRIBUS) INCOME PER MONTH	Transport 33.5% per Month	Producers Income Per Month
Cabbage	350	2	700	30 000	head	12.00	360000.00	40 000.00	320000.00	28 00000.00		10 500000	21000000	18000000	700 709	350 354	129	350 484	262852.88	10514512	5 635 780.14	9 004 541.12
Onion	750	2	1500	1 500	10kg bag	45.00	67 500.00	25 000.00	42 500.00	37 500000.00		1 125 000	2 250 000	2025000	63 766	31 883	156	32 039	90 109.05	360436.21	1 931 938.10	3 114 168.88
Green pepper	60	2	120	1 000	20kg create	280.00	280000.00	28 000.00	252000.00	3 360 000		80 000	120 000	108000	0	0	73	73	1 279.89	5 118.75	27 436.50	44 226.00
Tomato	325	2	650	1 500	20kg create	183.00	244500.00	32 400.00	212100.00	21 060000.00		487 500	975 000	877500	31 883	15 941	163	16 105	164087.27	688289.06	3 517 602.17	5 670 164.69
Spinach	140	2	280	7 000	bunch	8.02	56 140.00	23 466.00	32 674.00	6 570 480		980 000	1 960 000	1764000	0	0	134	134	67.04	288.17	1 437.38	2 316.98
Lettuce	84	2	168	12 000	head	9.80	117600.00	31 723.00	85 877.00	5 963 924		1 128 000	2 256000	2 030 400	0	0	99	99	60.71	242.86	1 301.71	2 098.28
Beetroot	89	2	178	1 200	10kg bag	55.00	66 000.00	13 827.00	52 373.00	2 425 606		106 800	213 600	192 240	0	0	36	36	125.04	500.16	2 680.84	4 321.35
Cucumber	32	2	64	12 000	each	14.20	170400.00	35 000.00	135400.00	2 240 000		384 000	768 000	691 200	0	0	65	65	57.89	230.75	1 236.82	1 993.88
Butternut	2250	2	4500	1 200	10kg bag	49.00	58 800.00	22 000.00	36 800.00	99 000000.00		2 700 000	5 400 000	4 860 000	184046	92 023	224	92 247	282605.55	1130022.20	6 058 918.88	9 763 391.79
Dry beans	200	1	200	300	10kg bag	120.00	36 000.00	9 630.00	26 370.00	1 926 000		60 000	60 000	54 000	0	0	26	26	196.88	787.50	4 221.00	6 804.00
Maize	400	1	400	4	ton	3 000.00	12 000.00	7 680.00	4 320.00	3 072 000		1 600	1 600	1 440	0	0		0	0.00	0.00	0.00	0.00
Potato	317	1	317	25	ton	5 000.00	125 000.00	70 000.00	55 000.00	22 180 000		7 925	7 925	7 133	0	0	116	116	36 387.19	145468.75	779 712.50	1 256 850.00
Pumpkin	1500	2	3000	1 200	10kg bag	39.80	47 760.00	11 883.20	35 076.80	35 049 800		1 800 000	3 600 000	3240000	122697	61 349		61 349	152604.74	610418.97	3 271 845.67	5 274 019.88
Gem squash	18	2	36	1 200	10kg bag	30.00	36 000.00	27 500.00	8 500.00	990 000		21 600	43 200	38 880	0	0	45	45	84.38	337.50	1 809.00	2 916.00
Green beans	30	2	60	400	20kg create	342.76	137 104.00	20 500.00	116 604.00	1 230 000		12 000	24 000	21 600	0	0	37	37	789.95	3 159.82	16 936.63	27 300.83
Carrots	18	2	36	2 000	10kg bag	76.77	153 540.00	18 195.00	135 345.00	655 020		36 000	72 000	64 800	0	0	164	164	785.69	3 142.77	16 845.26	27 153.55
Babby-Marrow	20	2	40	800	10kg bag	101.10	80 880.00	17 560.00	63 320.00	702 400		16 000	32 000	28 800	0	0	11	11	68.72	274.87	1 473.28	2 374.84
Crushed-garlic	5	2	10	14 000	kg	22.89	321 020.00	0.00	321 020.00	0		70 000	140 000	126 000	0	0	4	4	5.73	22.93	122.90	198.12
Mushrooms	1	2	2	1 000	0.2kg	28.09	28 090.00	0.00	28 090.00	0		1 000	2 000	1 800	0	0	30	30	52.56	210.23	1 126.81	1 816.34
Oranges	142	1	142	5 000	10kg bag	146.30	731 500.00	60 000.00	671 500.00	8 517 064		709 755	1 419 510	1 308 755	91 463	45 732	156	45 888	419 583.83	1 678 335.31	8 965 877.28	14 500 817.10
Apple	168	1	168	1 771	7kg	188.07	287 724.00	55 000.00	242 724.00	9 213 680		296 752	593 504	545 752	130 662	65 331	116	65 447	687 483.77	2 749 935.08	14 739 652.02	23 759 439.08
Banana	44	1	44	2 743	20kg create	219.60	602 331.43	57 000.00	545 331.43	2 497 658		120 188	240 376	218 188	45 732	22 865	134	23 000	315 671.57	1 262 686.28	6 767 998.43	10 909 609.42
TOTAL Exi. Loan repayment	6852		12229							292 163 432	23 836 763	19 410 425	38751325	36046819	1103 100				981 983.75	3 987 854.98	21 287 702.70	34 282 267.04
Total after loan repayment										316 000 195												

3.2 Emerging Farming Output Sustainability;

At the heart of Mpumalanga's agricultural transformation strategy lies the need to ensure that emerging farmers are empowered and succeed in building commercially viable farming businesses. The tender specification further address the uneven playing field between emerging commercial farmers, thus address the duality of the sector across key factors of production including but not limited to the following -

1 *Water availability:*

Water availability is crucial to supporting irrigation systems within the emerging farming sector.

2 *Farmer Training:*

The farmer training to be provided must provide for farmer involvement in farming skills and expertise acquisition.

3 *Farm Equipment & Financing:*

Furthermore, the investor partner must be cognizant of, and actively facilitate operational financial support in respect of the cash-flow problems often faced by farmers regarding farm equipment and operational expenses taking into account factors such as mechanical vs manual harvesting, especially in light of the farmers having to compete with experienced farmers,

4 *Sorting, Packing & Storage:*

Among others, the investor working with the farmers must facilitate the sorting grade classes of produce, packing and storage, which is a critical element of the value chain in this regard.

3.3 Agricultural supply chain infrastructure design and investment;

The ambition of the Mpumalanga Province to transform the agricultural value chain and generate shared revenues to the benefit of emerging farmers cannot be solved with the Agri-Hub entity as defined in the strategy. The Agri-Hub concept included in the strategy is essentially a Fruit & Veg market shed that does not have any commercial appeal to the large-scale commercial investor. Agri-hubs are marketing infrastructure wherein farmers aggregate produce for marketing purpose to different market segments and easily accessible to producers. The Agri-Hub concept is only applicable to vegetable and fruit produce that is suitable for immediate end user consumption in a crated or packaged format.

The agricultural value chain, supply and demand should be clearly mapped out to design the offtake channels and revenue streams. At a high level this would include the following flows -

1. Consolidation and marketing nodes for consumer fruit and veg purchases;
2. Consolidation and delivery node of fruit and veg to fresh produce markets/industrial customers;
3. Grain and seeds sales to industrial customers; and
4. Sales to industrial processors on a toll basis to feed back into Government Nutrition Programme.

Various other innovative models that can be applied to create the revenue pathways requiring careful thought and extensive consultation with targeted industrial or other large scale NGO feeding scheme customers who may then also be willing to contribute their respective CSI contributions to the Mpumalanga Agricultural Transformation initiative to bolster the longevity and sustainability of the program must be considered and brought on stream by the strategic investment partner.

3.4 Structure of the Finance Framework;

Typically, agricultural investments are long-term investments that require at a minimum a 20-year investment period. The requirement that the land cannot be used for the securing of finance maybe problematic in order to attract strategic investment partners to the project. However, the strategic investor must be able to secure the loans by encumbering, the crops, the equipment and infrastructure at the farmer's end at the Agri-Hubs. A consideration for irrevocable guarantees from the National Treasury would likely be required to secure the debt, which is a point for exploration with the strategic investment partner, the DARDLEA, the Provincial Government, the DALRRD and NT.

3.5 Provincial legislation inclusivity; and

GNP Procurement through Agri-Hubs' Provincial Law of general application, must outline the specific interventions that *DARDLEA* will adopt to provide investors with the assurance that GNP procurement will materialise. The proclamation transfer of responsibilities to *DARDLEA* and the subsidy oversight recommendation does not provide the granular actions that will be taken to ensure the success of GNP. It is recommended that the private sector be involved in configuring an effective GNP programme especially in the policy and technical clusters since much of the targeted crop output requires further processing to realise value. A robust GNP programme with practical deliverables must be ensured through the legislation.

3.6 Role of established commercial farmers.

Appreciating the duality of the sector, the role of established commercial farmers will be considered in respect of additional support that maybe required, taking into account -

- 3.6.1 In-depth understanding of agricultural commodities in the province;
- 3.6.2 Understanding of climate conditions and agro-ecological zones;
- 3.6.3 Understanding agricultural logistical and handling for both local and international markets;
- 3.6.4 Understanding of import and export regulations.

CALL FOR PROPOSAL OF AGRICULTURAL AGENT TO MOBILIZE INVESTORS IN AGRICULTURAL INITIATIVES TO SUPPORT PRODUCTION, CAPITAL INVESTMENT AND SUPPLY OF AGRICULTURAL PRODUCE IN THE LOCAL AND INTERNATIONAL MARKETS

- 3.7 Prepare project investment documents in the format acceptable to potential funders and investors.
- 3.8 Link projects or farms to financial institutions and investors for production and capital investment. (e.g. identifying the right investor based on sector, size and type of finance required).
- 3.9 Ensure potential investor are aware and equipped with knowledge of sector policies and regulations.
- 3.10 Prepare farmers to be compliant with food safety standards. (e.g. SA GAP, Local GAP, and global GAP).

4. EVALUATION PROCESS

The bidders should be committed to and follow strict corporate governance procedures in lobbying funds on behalf of the department to farmers.

The Evaluation process comprises of the following phases:

4.1 Phase I: Initial screening process

During this phase bid, documents will be reviewed to determine compliance with the following:

- All SBD forms should be fully completed and signed by the bidder
- Attendance of compulsory briefing session and signing of attendance register
- Signed Joint Venture Agreement and Power of Attorney in case of Joint Ventures;
- Company Profile, including previous contract work done, value of the work and contactable references per contract.
- The Bill of Quantity Must be correctly, fully Completed and Signed

All bidders must be registered with the Central Supplier Database (CSD) failure to do so will be automatically disqualified.

NB: It is the responsibility of the bidder to ensure that the following key information is in order to avoid any disqualification during the bid evaluations:

- The Business registration status
- Bid restrictions and defaulters status
- Identification number and the service of the state status

A bidder must comply will all of the above in other to qualify in the next phase.

4. 2 Phase II: Functionality evaluation as per attached Terms of Reference

- Bids will be evaluated strictly according to the bid evaluation criteria stipulated in the terms of reference.
- Bidders must as part of their bid documents, submit supportive documentation for all technical requirements as indicated hereunder. The panel responsible for scoring for the respective bids will evaluate and score all bids based on their submissions and the information provided.
- Bidders will not rate themselves, but need to ensure that all documents supplied as required i.e.
 - Confirmation letters from previous clients indicating success in similar projects at least (3) in line with the scope of work;
 - Proposal, Methodology, Approach and Project Plan with clear time lines;
 - Any innovative proposals will be an added advantage
 - Signed CV, ID Copies, qualifications and Profile of Directors, Team Members and Supporting Staff Members;
- The Bid Evaluation committee (BEC) will evaluate and score all responsive bids and will verify all documents submitted by the bidders.
- The panel members will individually evaluate the responses received against the following criteria as set out below:

CRITERIA	DESCRIPTION	Required Documents	Weight
Demonstration of Experience of management team	The team leader should have a minimum of ten (10) years' experience in the field Team members should have a minimum of five (05) years' experience in the field	List of professional team members with Curriculum Vitae (CV), with contactable references from previous partners, qualifications and <u>letter of consent</u> for each of	25

CRITERIA	DESCRIPTION	Required Documents	Weight
		the key personnel which highlights experience that is relevant	
Company experience	Investment facilitation experience on business of similar magnitude Company profile Specify major investment facilitated	Provide or share the names of those companies, institutions, countries or MoU, MoA and/or investment names, contact details and investment description. Preferably, the references should be in that Company's Letter head References stipulating nature and value of the investment	30
Proposal presentation	Presentation of the full proposal as per the scope of work	Business proposal presentation	30

CRITERIA	DESCRIPTION	Required Documents	Weight
Bank rating	Grading • A = 5 • B = 4 • C = 3 • D = 2 • E = 1	Proof of financial ability	15
TOTAL			100

Only bidders who attain a minimum of 60 percent on Functionality will qualify to proceed for further evaluation on Price and Preference points.

Rating guidelines:

1 – Poor, 2 – Average, 3 – Good, 4 - Very Good, 5 - Excellent

- f) Individual value scores will be multiplied with the specified weighting for the criterion to obtain the marks scored for all elements. These marks will be added and expressed as a fraction of the best possible score for all criteria. This score will be converted to a percentage and only bidders that have met or exceeded the minimum threshold of 60% for functionality will be evaluated and scored in terms of pricing and socio-economic goals as indicated hereunder;
- g) The value scored for each criterion will be multiplied with the specified with weighting for the relevant criterion to obtain the marks scored for each criterion. These marks will be added and expressed as a fraction of the best possible score for all criteria;
- h) This score will be converted to a percentage and only bidders that have met or exceeded the minimum threshold of 60 percent for functionality will be evaluated and scored in terms of pricing and socio-economic goals as indicated hereunder;
- i) Any proposal not meeting a minimum score of 60 percent functionality proposal will be disqualified; and
- j) The price will not be evaluated at this stage.

4.3 Phase III: Price / Financial stage

- a) Price / Financial proposal must be submitted in South African Rand.
- b) The following formula will be used to calculate the points for price in respect of this bid:

$$P_s = 80 (1 - \frac{P_t - P_{min}}{P_t - P_{min}})$$

P min

Where-

Ps= Points scored for comparative price of bid under consideration

Pt= Comparative price of bid under consideration

P min = Comparative price of lowest acceptable bid

- c) The responsive bids will be adjudicated by the State on the 80/20-preference point for Broad-Based Black economic empowerment in terms of which points are awarded to bidders on the basis of:
- The bid price (maximum 80 points)
 - Broad-based black Economic Empowerment as well as specific goals (maximum 20 points)
- d) The Preferential Procurement Policy Framework Act 2000 (PPPFA) Preferential Procurement Regulations 2017, Regulations were gazetted on 20 January 2017 (No. 40553) and effective from 01 April 2017. These bid will be evaluated as per above mentioned regulations. Bidders are required to submit B-BBEE status level certificate issued by an authorized body or person; a sworn affidavit as prescribed by the B-BBEE Codes of Good Practice; or any other requirement prescribed in terms of the Broad-Based Black Economic Empowerment Act and in case a Joint Venture, a combined BBBEE certificate for the service providers must be provided, and subcontracting, the regulations will be followed.
- e) A maximum of 20 points may be awarded to a bidder for being a Broad-Based Black Economic Empowerment and / or subcontracting with a Broad-Based Black Economic Empowerment stipulated in the Preferential Procurement regulations of 2017. For this bid the maximum number of Broad-based black Economic Empowerment status that could be allocated to a bidder is indicated below:

B-BBEE Status Level of Contributor	Number of points (80/20 system)
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2

NON-COMPLIANT CONTRIBUTOR	
----------------------------------	--

NB: Failure to capture the required status level on the SBD 6.1 and to submit the required B-BBEE status level certificates will lead to a zero (0) status level for non-compliant service providers.

- f) The points scored by a bidder in respect of the points indicated above will be added to the points scored for price;
- g) Bidders are requested to complete the various preference claim forms in order to claim preference points;
- h) Only a bidder who has completed and signed the declaration part of the preference claim form will be considered for B-BBEE status;
- i) Supply Chain Management may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to B-BBEE status;
- j) Points scored will be rounded off to the nearest 2 decimals;
- k) In the event that two or more bids have scored equal total points, the contract will be awarded to the bidder scoring the highest number of points for B-BBEE status. Should two or more bids be equal in all respects, the award shall be decided by drawing of lots;
- l) A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.
- m) The bidder must submit copies of identity documents of all directors or shareholders of the company with the bid documents at the closing date and time of the bid.

5. Phase IV: Vetting

Shortlisted bidders will be required to undergo the vetting procedure to verify the authenticity of the submitted documents during the submission period and bidder can be eliminated if discovered that false information was submitted and this does not mean that the bid is automatically awarded to you.

6. CLIENT BASE

Bidders must have specific experience and submit at least four recent references (in a form of written proof (s) on their company's letterhead including relevant person(s), telephone, fax numbers and e-mails) of similar work undertaken; and DARDLEA reserves

the right to contact references during the evaluation and adjudication process to obtain information.

7. LEGAL IMPLICATIONS

Successful service providers must be prepared to enter into a service level agreement with the DARLDEA; and DARDLEA reserves the right to award this bid on a non-exclusive basis, i.e. DARDLEA may procure similar services outside this bid with the view of securing the best service and value for money.

8. COMMUNICATION

Supply Chain Management will communicate with bidders for, among others; where bid clarity is sought, to obtain information or to extend the validity period. Any communication either by facsimile, letter or electronic mail or any other form of correspondence to any government official, department or representative of a institution or a person acting in an advisory capacity for DARLEA in respect of this bid between the closing date and the award of the bid by the bidder is prohibited.

9. COUNTER CONDITIONS

Bidders' attention is drawn to the fact that amendments to any of the Special Conditions by bidders will result in invalidation of such bids.

10. PROHIBITION OF RESTRICTIVE PRACTICES

- a) In terms of section 4(1) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder(s) is/are or a contractor(s) was/were involved in:
 - Directly or indirectly fixing a purchase or selling price or any other trading condition;
 - Dividing markets by allocation customers, suppliers, territories or specific types of goods or services; or Collusive bidding.
- b) If a bidder(s) or contractor(s), in the judgment of purchaser, has/have engaged in any of the restrictive practices referred to above, the purchaser may, without prejudice to any other remedy provided for, invalidate the bid(s) for such items(s) offered or terminate the contract in whole or in part and refer the matter to the

Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Completion Act no.89 of 1998.

11. FRONTING

DARDLEA supports the spirit of broad based black economic empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background DARDLEA condemns any form of fronting. DARDLEA, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct or initiate the necessary enquiries/investigations to determine.

The accuracy of the representation made in bid documents. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry be established during such enquiry/investigation, the onus will be on the bidder / contractor to prove that fronting does not exist. Failure to do so within a period of 14 days from date of notification may invalidate the bid/contract and may also result in the restriction of the bidder/contractor to conduct business with public sector for a period not exceeding ten years, in addition on any other remedies DARDLEA may have against the bidder/contractor concerned.

12. SPECIAL CONDITION OF CONTRACT

- The department reserves a right not to appoint or appoint one or more than one service provider.
- To negotiate with one or more preferred bidder(s) identified in the evaluation process, regarding any terms and conditions, including price without offering the same opportunity to any other bidder(s) who has not been awarded the status of the preferred bidder(s).
- To accept part of a bid rather than the whole bid.
- To carry out site inspections, product evaluations or explanatory meetings in order to verify the nature and quality of the services offered by the bidder(s), whether before or after adjudication of the Bid.

- To correct any mistakes at any stage of the bid that may have been in the Bid documents or occurred at any stage of the bid process.
- To cancel and/or terminate the bid process at any stage, including after the Closing Date and/or after presentations have been made, and/or after bids have been evaluated and/or after the preferred bidder(s) have been notified of their status as such.
- Award to multiple bidders based either on size or geographic considerations.

13. COMPLETION PERIOD

The successful Bidder(s) will be expected to offer the services as and when required for **a period of ten (10) to twenty (20) years.**

14. MONITORING

Bidders are to note that the Department will monitor and evaluate the project through its Agricultural Economics and Marketing office.

15. PRESENTATION

DARDLEA may require presentations/interviews from short-listed bidders as part of the bid process.

16. PRICE NEGOTIATIONS

- Rates will be negotiated whereby a standard rate will apply to all successful bidder(s) in terms of the market related price.
- If the price offered by the bidder scoring the highest points is not market related, the department will negotiate a market related price with the bidder scoring the highest points or cancel the bid.
- If the bidder scoring the highest points does not agree to a market related price the department shall negotiate a market related price with second bidder, if the bidder scoring the second highest points does not agree to a market related price the department shall negotiate a market related price with the bidder scoring the third highest points.

- If the market related price is not agreed to as envisaged by the first, second and third bidder the department shall cancel the bid.

17. ENQUIRIES

Technical and administration enquiries in connection with this request for proposal should be addressed to: **Technical enquiries** Ms NF Mafu @ 013 766 6165 or nobuhlobo.agric@gmail.com: **Admin enquiries** Z Masia @ 013 766 6323 or zmasia@mpg.gov.za : No visit to the respective persons will be entertained to ensure fairness to all prospective bidders and for audit ability purposes.

18. BILL OF QUANTITY

AREA OF EXPERTISE		
INVESTMENT LOBBYING	PERCENTAGE CHARGES PER INVESTMENT RAISED	TOTAL AMOUNT CHARGED FOR INVESTMENT RAISED
Funds raised less or equals to R250 000,000.00		
Funds raised less or equals to R500 000 000.00		
Funds raised less or equals to R1000 000 000.00		
Funds raised less or equals to R1500 000 000.00		
TOTAL FEES RAISED		
ADMIN FEES		
TOTAL PRICE		
ANNUAL ESCALATION % PERCENTAGE		
VAT 15%		
TOTAL BID PRICE YEAR 1		
TOTAL FEES RAISED		
ADMIN FEES		

TOTAL PRICE		
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CALL FOR PROPOSAL OF AGRICULTURAL AGENT TO MOBILIZE INVESTORS IN AGRICULTURAL INITIATIVES TO SUPPORT PRODUCTION, CAPITAL INVESTMENT AND SUPPLY OF AGRICULTURAL PRODUCE IN THE LOCAL AND INTERNATIONAL MARKETS FOR A PERIOD OF TEN (10) TO TWENTY (20) YEARS

ANNUAL ESCALATION % PERCENTAGE		
VAT 15%		
TOTAL BID PRICE YEAR 2		
TOTAL FEES RAISED		
ADMIN FEES		
TOTAL PRICE		
ANNUAL ESCALATION % PERCENTAGE		
VAT 15%		
TOTAL BID PRICE YEAR 3		
TOTAL FEES RAISED		
ADMIN FEES		
TOTAL PRICE		
ANNUAL ESCALATION % PERCENTAGE		
VAT 15%		
TOTAL BID PRICE YEAR 4		
TOTAL FEES RAISED		
ADMIN FEES		
TOTAL PRICE		
ANNUAL ESCALATION % PERCENTAGE		
VAT 15%		

NAME OF THE BIDDER : _____

SIGNATURE : _____

DATE : _____

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

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

Particulars of applicantName/Legal name
(Initials & Surname
or registered name)Trading name
(if applicable)

ID/Passport no

Company/Close Corp.
registered no

Income Tax ref no

PAYE ref no 7

VAT registration no 4

SDL ref no L

Customs code

UIF ref no U

Telephone no

Fax
no

E-mail address

Physical address

Postal address

Particulars of representative (Public Officer/Trustee/Partner)

Surname

First names

ID/Passport no

Income Tax ref no

Telephone no

Fax
no

E-mail address

Physical address

Particulars of tender (If applicable)Tender number Estimated Tender amount R , Expected duration of the tender year(s)**Particulars of the 3 largest contracts previously awarded**

Date started	Date finalised	Principal	Contact person	Telephone number	Amount
--------------	----------------	-----------	----------------	------------------	--------

Audit

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

If "YES" provide details

Appointment of representative/agent (Power of Attorney)I the undersigned confirm that I require a Tax Clearance Certificate in respect of Tenders or Goodstanding.

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

Signature of representative/agent

Date

Name of representative/agent

Declaration

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

Signature of applicant/Public Officer

Date

Name of applicant/Public Officer

Notes:

- It is a serious offence to make a false declaration.
- Section 75 of the Income Tax Act, 1962, states: Any person who
 - fails or neglects to furnish, file or submit any return or document as and when required by or under this Act; or
 - without just cause shown by him, refuses or neglects to-
 - furnish, produce or make available any information, documents or things;
 - reply to or answer truly and fully, any questions put to him ...

As and when required in terms of this Act ... shall be guilty of an offence ...
- SARS will, under no circumstances, issue a Tax Clearance Certificate unless this form is completed in full.**
- Your Tax Clearance Certificate will only be issued on presentation of your South African Identity Document or Passport (Foreigners only) as applicable.

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State Institution

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

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

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

2.2.1 If so, furnish particulars:

.....
 ...

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

2.3.1 If so, furnish particulars:

.....

3 DECLARATION

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

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

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

- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No-89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of bidder

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.

1. GENERAL CONDITIONS

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

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

1.2

- a) The value of this bid is estimated to **not exceed** R50 000 000 (all applicable taxes included) and therefore the **80/20** preference point system shall be applicable; or
- b) Either the 80/20 or 90/10 preference point system will be applicable to this tender (*delete whichever is not applicable for this tender*).

1.3 Points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contributor.

1.4 The maximum points for this bid are allocated as follows:

	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
Total points for Price and B-BBEE must not exceed	100

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

5. BID DECLARATION

- 5.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

- 6.1 B-BBEE Status Level of Contributor: = (maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

7. SUB-CONTRACTING

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

(**Tick applicable box**)

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

- 7.1.1 If yes, indicate:

i) What percentage of the contract will be subcontracted.....%

ii) The name of the sub-contractor.....

iii) The B-BBEE status level of the sub-contractor.....

iv) Whether the sub-contractor is an EME or QSE

(**Tick applicable box**)

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

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

Designated Group: An EME or QSE which is at least 51% owned by:	EME ✓	QSE ✓
Black people		
Black people who are youth		
Black people who are women		

Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
OR		
Any EME		
Any QSE		

8. DECLARATION WITH REGARD TO COMPANY/FIRM

8.1 Name _____ of
company/firm:.....

8.2 VAT _____ registration
number:.....

8.3 Company _____ registration
number:.....

8.4 TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium

One person business/sole propriety

Close corporation

Company

(Pty) Limited

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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

8.6 COMPANY CLASSIFICATION

Manufacturer

Supplier

Professional service provider

Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

8.7 Total number of years the company/firm has been in
business:.....

8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the
company/firm, certify that the points claimed, based on the B-BBE status level of
contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies
the company/ firm for the preference(s) shown and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as
indicated in paragraph 1 of this form;

- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
 - (a) disqualify the person from the bidding process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution.

WITNESSES

1.

2.

.....
SIGNATURE(S) OF BIDDERS(S)

DATE:

ADDRESS

.....

.....

DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS

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

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

1. General Conditions

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

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

Where

x is the imported content in Rand

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

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

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

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

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

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

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

(Tick applicable box)

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

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

The relevant rates of exchange information is accessible on www.reservebank.co.za

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

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

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

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

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

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

IN RESPECT OF BID NO.

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

.....

NB

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

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

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

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

If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above. The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E.

- (d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.
- (e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 14 of the Preferential Procurement Regulations, 2017 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5

of 2000).

SIGNATURE: _____

DATE: _____

WITNESS No. 1 _____

DATE: _____

WITNESS No. 2 _____

DATE: _____

THE NATIONAL TREASURY

Republic of South Africa



GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT

July 2010

GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

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

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

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

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General Conditions of Contract

1. Definitions

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

RSA.

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

obligations of the supplier covered under the contract.

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

2. Application

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

3. General

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

4. Standards

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

5. Use of contract documents and information; inspection.

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

6. Patent rights

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

7. Performance security

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

8. Inspections, tests and analyses

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

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

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

9. Packing

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

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

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

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

14. Spare parts

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

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

15. Warranty

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

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

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

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

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

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

16. Payment

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

17. Prices

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

18. Contract amendments

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

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier's performance

- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the

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

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

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

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

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

may be due to him

25. Force Majeure

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

26. Termination for insolvency

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

27. Settlement of Disputes

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

28. Limitation of liability

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

	(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
29. Governing language	29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
30. Applicable law	30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
31. Notices	<p>31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice</p> <p>31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.</p>
32. Taxes and duties	<p>32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.</p> <p>32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.</p> <p>32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.</p>
33. National Industrial Participation Programme (NIP)	33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.
34 Prohibition of Restrictive practices	<p>34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).</p> <p>34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.</p>

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