



**employment & labour**

Department:  
Employment and Labour  
REPUBLIC OF SOUTH AFRICA

**REQUEST FOR BID**

**TCF 04: 2023/24**

**The Appointment of a Service Provider to provide Biometric Identity Management Solution within SAP ERP System and HANA platform at the Compensation Fund for a period of three (3) years.**

**ISSUE DATE:**

11 September 2023

**CLOSING DATE AND TIME**

03 October 2023 at 11H00am

**Non-Compulsory briefing session will be held at:**

The Compensation Fund  
167 Thabo Sehume Street  
Delta Heights Building (PQ)  
Pretoria, 0001

**Briefing session date:** 20 September 2023 @ 10H00am

**Enquiries can be sent to** [SCM.Enquiries@labour.gov.za](mailto:SCM.Enquiries@labour.gov.za)

**NB:** The cut-off time to receive enquiries is 72 hours before the closing date

***The Appointment of a Service Provider to provide Biometric Identity Management Solution within SAP ERP System and HANA platform at the Compensation Fund for a period of three (3) years.***

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*The Appointment of a Service Provider to provide Biometric Identity Management Solution within SAP ERP System and HANA platform at the Compensation Fund for a period of three (3) years.*

## PART A

### INVITATION TO BID

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE COMPENSATION FUND(CF)</b>					
BID NUMBER:	TCF 04:2023/24	CLOSING DATE:	03 October 2023	CLOSING TIME:	11:00 am
DESCRIPTION	<i>The Appointment of a Service Provider to provide Biometric Identity Management Solution within SAP ERP System and HANA platform at the Compensation Fund for a period of three (3) years.</i>				
<b>BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)</b>					
167 Thabo Sehume Street					
The Compensation Fund, Delta Heights Building					
Pretoria, 0001					
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO</b>			<b>TECHNICAL ENQUIRIES MAY BE DIRECTED TO:</b>		
CONTACT PERSON			CONTACT PERSON		
TELEPHONE NUMBER			TELEPHONE NUMBER		
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	scm.enquiries@labour.gov.za		E-MAIL ADDRESS	scm.enquiries@labour.gov.za	
<b>SUPPLIER INFORMATION</b>					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
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		[TICK APPLICABLE BOX]  <input type="checkbox"/> Yes <input type="checkbox"/> No

**The Appointment of a Service Provider to provide Biometric Identity Management Solution within SAP ERP System and HANA platform at the Compensation Fund for a period of three (3) years.**

<b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b>			
<b>1. ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No  [IF YES ENCLOSE PROOF]	<b>2. ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No  [IF YES, ANSWER THE QUESTIONNAIRE BELOW ]
<b>QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>			
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?		<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?		<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?		<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?		<input type="checkbox"/> YES <input type="checkbox"/> NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?		<input type="checkbox"/> YES <input type="checkbox"/> NO	
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.			

## **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](http://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: .....

# **TERMS OF REFERENCE**

**FOR**

**IMPLEMENTATION OF A BIOMETRIC IDENTITY  
MANAGEMENT SOLUTION WITHIN SAP ERP SYSTEMS  
AND HANA PLATFORM FOR A PERIOD OF 3 YEARS**

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**DEPARTMENT OF EMPLOYMENT AND LABOUR  
COMPENSATION FUND**

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## 1. PURPOSE

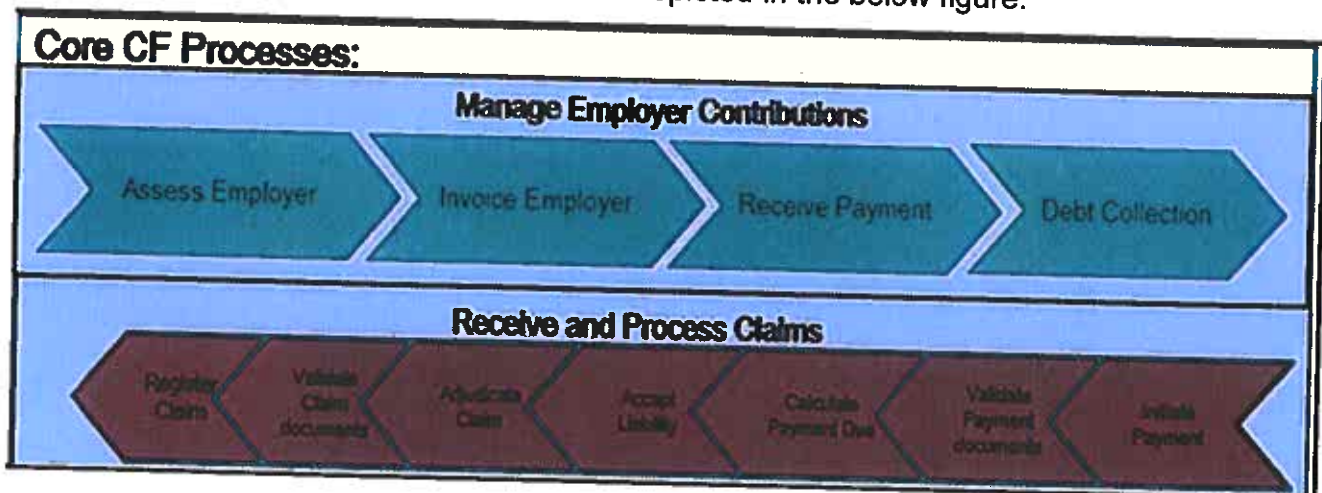
The Fund is striving to improve its efficiency, effectiveness, security and information reliability in order to deliver more with less. As such, the purpose of publishing this Terms of Reference is to source an SAP certified biometric identity management solution provider to implement a biometric identification solution within the existing SAP systems, install and configure compatible fingerprint scanners integrated with the Department of Home Affairs at the Customer Care walk-in centre, Service Delivery Improvement sites as well as Provinces where the Fund has a presence.

## 2. EXECUTIVE SUMMARY

The Compensation Fund herein under referred to as the Fund, is a public entity of the Department of Employment Labour herein under referred to as the DEL. The Fund administers the Compensation for Occupational injuries and Diseases Act no. 130/1993 as amended by the COIDA 61/1997.

The main function of the Fund is to collect revenue and pay medical service providers including compensation benefits to injured employees. This function has been enabled through an electronic service oriented operational system to administer COIDA with online registration and underwriting of employers, registration of claims, and processing and payment of benefits to ensure accuracy and consistency.

This also requires the Fund to implement biometric checkpoints against core business transactions that are vulnerable to fraud as depicted in the below figure:



This will ensure that the Fund only allows access to any of the transactions above after a clearly verified identity check.

*[Handwritten signatures]*



### **3. BACKGROUND**

The Fund is in the process of modernizing its ICT landscape through the SAP roadmap. In October 2019, the Fund implemented the CompEasy system on SAP S/4 HANA Insurance (S4i) module with a mandate to ensure effective online claims registration, electronic submission and document management, adjudication and automated medical claims processes, payments processing and reporting. This system is utilized by internal and external stakeholders.

The Fund also has the current accounting system on SAP ECC6 which is yet to be migrated to SAP S/4 HANA. Our SAP CRM is a customer relation solution utilized to handle all customer-related activities as well as Legal Case Management.

### **4. BUSINESS OPPORTUNITY**

The CompEasy, SAP ECC 6 and SAP CRM are all current active systems for the Fund. The need for reliable user authentication techniques has become increasingly critical in the wake of heightened concerns about security and rapid advancements in networking, communication and mobility. As a result, the Fund requires the implementation of biometric identity management solution within the existing SAP business application suite to ensure that - after verification - only specifically authorised users gain access to specific functions or data as well as the verification of beneficiaries interacting with the Fund. This will ensure that no user is trusted with the Fund's systems until their identity is successfully verified.

### **5. PROJECT DESCRIPTION**

#### **5.1 Objectives**

The primary objective of this project is to provide assurance to stakeholders by providing additional security controls to improve security of data as well as operational efficiency through process re-engineering and technological innovation.

The Fund has the following key overarching goals and objectives for this initiative:

- a) Establish multi-factor authentication – password and fingerprint to establish the person's true identity;
- b) Enforce biometric authentication of high risk activities;
- c) Trace all transactions back to the employee that executed it;

- d) Secure vital information from theft, being corrupted, hacked and unauthorized access;
- e) Provide a forensic tamper-proof audit trail and alerts of all activities (including failed or unauthorized attempts) and possible overstepping of user's credentials.

## **6. SCOPE OF WORK AND DELIVERABLES**

The bidder must implement Biometric Identity Management Solution within the current SAP ECC 6, CRM and S4 Hana platform without negatively affecting existing security processes. The bidder must have implemented the solution either in the healthcare, banking or insurance industries preferably.

### **6.1 FUNCTIONAL REQUIREMENTS**

The bidder must provide the biometric identity solution, finger print scanners and project management services which include, but not limited to, the following:

- a) Provide the biometric identity management functionality to verify the beneficiaries and medical service providers' representative against DHA's web service when visiting the Customer Care Walk-In Centre, Service Delivery Improvement Units and Provinces before a claim can be registered or claim status information can be shared or searched in compliance with the POPIA;
- b) Provide a biometric granular control of functions, transactions and processes within CompEasy, SAP ECC 6 and SAP CRM where internal user role and authorization assignments can be controlled;
- c) Secure any function, audit logs, value, button, screen or any element within the systems that has a potential of being compromised by malicious users;
- d) Provide a controlled enrolment process with biometric template validation;
- e) Secure access and confidentiality of the biometric database.
- f) Link an employee Persal number and biometric identifier to all Fund generated documents on the SAP system in order to ensure that the last individual/employee that used or worked on a certain employer's profile and any record will be identified;
- g) Biometrically enforce segregation of duty for conflicting responsibilities;
- h) Provide for mandatory dual biometric approval process built into certain processes;
- i) Provide a biometric control function to limit display and/or editing of certain fields according to user's credentials and permissions;

# IMPLEMENTATION OF A BIOMETRIC IDENTITY MANAGEMENT SOLUTION WITHIN SAP ERP SYSTEMS FOR A PERIOD OF 3 YEARS

- j) Provide an exception report and alert process where non-compliances are flagged and escalated to relevant stakeholders;
- k) Provide a biometric control function to limit unauthorised access to the master data transactions to align with identified custodians and permitted system users to maintain master data files;
- l) Provide a biometric control function to limit access to the systems during certain time periods;
- m) Provide a biometric control function to limit access to the systems through another user's mobile device / laptop;
- n) Provide reconciliation of all activity / transactions;
- o) Provide dashboard, alerts and custom reporting based on business requirements;
- p) Provide an undisputable log and reconciliation of all activity / transactions with biometrically identified users for accountability.
- q) Monitor any SAP activity considered to be of risk for the Fund.
- r) Compliance with departmental policies, processes and standards;
- s) Provide reporting dashboard on alerts / malicious attempts made to the system
- t) The Fund has standardized on Lenovo ThinkPad laptops with built-in finger print scanners. Thus the bidder must configure the solution to be compatible with the existing laptops.

The following groups of users' profiles in the following locations would need to be enrolled on the solution:

User group	Province	Number of Users
Claim Handlers	EC	35
	FS	30
	GP	75
	HO	12
	KZN	31
	LP	31
	MP	36
	NC	20
	NW	17
	WC	38
All Adjudicators (CB)	EC	28
	FS	17
	GP	58
	HO_CB	4

**IMPLEMENTATION OF A BIOMETRIC IDENTITY MANAGEMENT SOLUTION WITHIN SAP ERP SYSTEMS  
FOR A PERIOD OF 3 YEARS**

	KZN	14
	LP	19
	MP	13
	NC	12
	NW	17
	WC	32
SUPV (CB ASD Upwards )	EC	5
	FS	3
	GP	9
	HO	4
	KZN	4
	LP	4
	MP	4
	NC	2
	NW	5
	WC	5
Medical Invoice Initiators	EC	8
	FS	6
	GP	32
	HO	28
	KZN	10
	LP	6
	MP	9
	NC	4
	NW	5
	WC	1
Medical Invoice with Delegation	EC	10
	FS	10
	GP	37
	HO	26
	KZN	12
	LP	10
	MP	8
	NC	5
	NW	9
	WC	27
Medical Invoice ASD's	EC	4
	FS	3
	GP	3
	HO	5
	KZN	1
	LP	3

**IMPLEMENTATION OF A BIOMETRIC IDENTITY MANAGEMENT SOLUTION WITHIN SAP ERP SYSTEMS  
FOR A PERIOD OF 3 YEARS**

	MP	3
	NC	1
	NW	3
	WC	3
Medical Invoice DD's	EC	1
	GP	1
	HO	4
	LP	1
	MP	1
	NW	1
	WC	1
Medical Invoice Director	EC	1
	GP	1
	HO	2
	KZN	1
	LP	1
	NC	1
	NW	1
	WC	1
Pension Administrators	EC	2
	FS	2
	GP	10
	KZN	2
	LP	2
	MP	2
	NC	2
	NW	3
	WC	3
Pension Benefit Supervisor	EC	1
	FS	2
	GP	2
	HO	8
	KZN	2
	LP	4
	MP	1
	NC	1
	NW	2
	WC	2
Pension Adjudicators	EC	1
	FS	1
	HO	1

**IMPLEMENTATION OF A BIOMETRIC IDENTITY MANAGEMENT SOLUTION WITHIN SAP ERP SYSTEMS  
FOR A PERIOD OF 3 YEARS**

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KZN	2																				
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WC	1																				
Vocational Rehab	Head Office – 3																				
Nurses	<table> <tr><td>EC</td><td>7</td></tr> <tr><td>FS</td><td>5</td></tr> <tr><td>GP</td><td>13</td></tr> <tr><td>HO</td><td>4</td></tr> <tr><td>KZN</td><td>6</td></tr> <tr><td>LP</td><td>6</td></tr> <tr><td>MP</td><td>4</td></tr> <tr><td>NC</td><td>3</td></tr> <tr><td>NW</td><td>3</td></tr> <tr><td>WC</td><td>5</td></tr> </table>	EC	7	FS	5	GP	13	HO	4	KZN	6	LP	6	MP	4	NC	3	NW	3	WC	5
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Orthotics	Head Office – 6																				

## **IMPLEMENTATION OF A BIOMETRIC IDENTITY MANAGEMENT SOLUTION WITHIN SAP ERP SYSTEMS FOR A PERIOD OF 3 YEARS**

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These users' groups require a biometric identity management solution against their profiles and credentials to overcome security gaps.

For Customer Care Walk-In Centre, Service Delivery Improvement Units and Provinces, the bidder must provide a total of 190 SAP certified biometric identity management solution compatible fingerprint scanners.

### **6.2 Technical Specification**

This terms of reference sets forth the roles and responsibilities of the Service Provider for the delivery of the implementation of a biometric identity management solution and support and maintenance services for the Fund's SAP environment. The schedule of work and defined deliverables has to be agreed on an annual basis and documented in a Service Level Agreement that will be signed and reviewed annually.

Support and maintenance monthly deliverables are confirmed ahead of time per month and signed-off for payment schedules at the end of each month. Reporting on maintenance and support deliverables will be done in the CF Operations forum. All items will follow the SDLC process, and items will be confirmed as delivered and deployed by means of an Acceptance Certificate that is signed by the responsible business manager / project manager.

The appointed service provider and the Fund's project manager will be responsible for jointly managing and reporting on the project deliverables to the CF ICT Project Steering Committee. Each project phase will be controlled by a project milestone which has an associated quality certificate that must be achieved, with the CF ICT project steering committee as an enabling factor to proceed to the next project phase of the project.

The service provider must provide a team with adequate and relevant qualifications, certifications and experience to complete the agreed deliverables within the agreed time and costs. The same is applicable for any new resources allocated or exchanged for already engaged resources within the support team.

The services are defined as follows:

### **6.3 Day-to-day support and maintenance services**

The activities associated with repairing defects and developing minor functional enhancements.

#### **6.3.1 Customization and enhancement services**

These activities are associated with customization, configuration of existing modules and/or major enhancements.

- a) Minor Changes: Performing minor changes to existing SAP modules, where a change fix constitutes a change less than 40 hours of effort through service level agreements.
- b) Major Enhancements: Perform major enhancements to existing SAP modules, where a major enhancement constitutes a change exceeding

40 hours of effort including the specification, documentation, programming, testing and implementation efforts.

The bidder must provision a bucket of thirty thousand (30 000) hours - ten thousand (10 000) hours per annum - for the duration of the contract for new requirements that will be submitted by the Fund.

The requirements will be submitted in a form of a change request; the bidder will be required to provide an estimated effort for the implementation. The approval will be granted by the Fund for the service provider to proceed with the implementation of the change request. In case there are no new requirements for the remainder of the 10 000 hours for that particular year, the amount will be carried over to the next year. In cases where the ten thousand (10 000) hours allocated for the year are depleted, the next year's hours can be utilized for such additional work.

The bidder must indicate the number and type of professional services required to deliver on the project.

### **6.3.2 Roles and Responsibilities**

The clarification of roles and responsibilities between the Fund and the service provider needs proper understanding by the bidder. At a high level these roles and responsibilities within Fund are grouped under one heading "Fund" and those of the service provider under the heading "Provider".

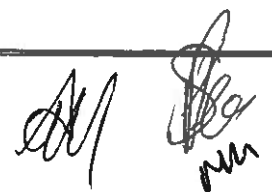
The following tables will identify roles and responsibilities where "X" is placed in the column under the party that will be responsible for performing the task.

#### **6.3.2.1 Requirements Definition**

Requirements definition services are the activities associated with the definition and assessment of user requirements that are used to determine detailed application design. The following identifies the roles and responsibilities associated with Requirements Definition services.

**Table 1. Requirements Definition Roles and Responsibilities**

<b>Requirements Definition Roles and Responsibilities</b>	<b>Provider</b>	<b>Fund</b>
1. Act as primary point of contact with the business to define, gather, refine, and prioritize business requirements.		X
2. Develop and document business requirements	X	
3. Approve business requirements documents		X
4. Conduct interviews, group workshops and surveys to determine technical, functional and end user requirements	X	
5. Develop functional requirements documents, logical and physical data models	X	





**IMPLEMENTATION OF A BIOMETRIC IDENTITY MANAGEMENT SOLUTION WITHIN SAP ERP SYSTEMS FOR A PERIOD OF 3 YEARS**

Requirements Definition Roles and Responsibilities	Provider	Fund
6. Conduct value assessments of functional requirements and generate an impact analysis, including affected SAP modules, alternative design scenarios, etc.	X	
7. Approve all functional requirements		X
8. Develop system test plan (e.g. functional, volume, end-to-end, integration, stress, regression, security, system, and user acceptance test if applicable)	X	
9. Approve system test plan (e.g. functional, volume, end-to-end, integration, stress, regression, security, system, and user acceptance test)		X

### 6.3.2.2 Solution development / maintenance

Solution development/maintenance services are the activities associated with the ABAP programming, development, scripting and configuring using the information from the previous phases as critical input. The following table identifies the underlying roles and responsibilities associated with Programming and Development services.

**Table 2. Programming and Development Roles and Responsibilities**

Solution development / maintenance Roles and Responsibilities	Provider	Fund
1. Architect, design, develop, deploy and support the biometric identity management solution	X	
2. Approve architecture design		X
3. Perform event management monitoring of application to detect abnormal conditions or alarms, log abnormal conditions, analyse the condition and take corrective action	X	
4. Manage software to meet SLRs, minimize downtime and minimize the Fund's resource requirements	X	
5. Develop and provide operational reports (daily, weekly, monthly) that provide status of operational activities, production issues and key operational metrics	X	
6. Recommend modifications and performance-enhancement adjustments to the Fund's system software and utilities based on Fund's performance standards	X	

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7. Manage all programming and development efforts using industry-standard project management tools and methodologies	X	
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### 6.3.2.3 Integration and Testing

Integration and testing services are the activities associated with the confirmation that the individual program components work together properly and as a whole perform their specified functions. This includes SAP interfaces to other applications or services (i.e. DHA) already in production or being developed / considered by the Fund.

The following identifies the roles and responsibilities associated with Integration and Testing services.

**Table 3. Integration and Testing Roles and Responsibilities**

INTEGRATION AND TESTING ACTIVITIES ROLES AND RESPONSIBILITIES	PROVIDER	FUND
1. Approve all integration, user acceptance and system security testing plans for new and upgraded equipment, software or services		X
2. Create test cases, test data and perform all appropriate testing (unit testing, end-to-end testing, stress testing, regression testing)	X	
3. Create test environment and data where required by project, including demonstration of requirements traceability to verify the requirements as specified in the Requirements Document have been satisfied	X	
4. Perform independent testing of impacted SAP modules and any of the constituent components (testing team must be separate from the Development team)		X
5. Review and approve testing		X
6. Coordination of user acceptance and assurance testing (i.e. gain user involvement (internal & external where appropriate), establish and define acceptance criteria, setting high-level test objectives, establish high level test scenarios)		X
7. Facilitate and support User Acceptance Test (establishing adequate test environment based on User Acceptance Criteria, preparing data to support test scenarios within modified system as well as managing the relationship with all interfaced systems necessary to conduct test, troubleshooting, support users to progress through scenarios, simulating interfaces or working with integrated systems to conduct end-to-end tests, support batch processing, exercise functionality, and report results) as prescribed by the Fund.	X	

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INTEGRATION AND TESTING ACTIVITIES ROLES AND RESPONSIBILITIES	PROVIDER	FUND
8. Conduct user acceptance testing		X
9. Validate all new and upgraded software or services for compliance with the Fund's systems security policies		X
10. Manage the Fund's functional, integration, and regression test environments and associated test data including creation and maintenance during the testing period	X	
11. Review testing results for compliance with policies, procedures, plans, and test criteria and metrics (e.g. defect rates, progress against schedule, etc.)		X
12. Provide shared access to the mutually agreed Defect Tracking system for purposes of allowing the Fund to initiate, track, and report on found defects (i.e. during user acceptance testing).	X	
13. Notify Provider in the event of discrepancies between the business requirements and the requirements document or Provider's deliverables		X
14. Correct defects found as a result of testing efforts	X	
15. Conduct selective random independent testing, where the random selection includes some complex modules (i.e., independent verification and validation testing)		X
16. Staging systems before implementation	X	

#### 6.3.2.4 Change Management

Change Management activities include services required to appropriately manage and document impact analysis, version control, library management, turnover management, build management, parallel development changes to the system and any of the constituent components being developed. Change Management also includes services required to appropriately manage and document changes to the underlying system development environment components. These include the following:

- I. Library Management—the classification, control and storage of the physical components of an application
- II. Version Control—the maintenance, tracking and auditing of modifications to an application's components over time, facilitating the restoration of an application to prior development stages
- III. Turnover Management—the automated promotion of software changes across different phases of the life cycle (e.g., development, unit test, systems test and production), including management of the approval process, production turnover and software migration control.

Any changes to the baseline project plan or committed maintenance or enhancement dates must be managed by the change management process and approved by the Fund. This system shall include formal and documented change management procedures, and define the paperwork, tracking systems and approval levels necessary to authorize changes such

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as a change to the scheduled end date for a particular work product in a form of a project change request (PCR) document, which is a standard form describing the type of change/issue, the rationale behind it, and related schedule and cost changes.

The following table identifies the roles and responsibilities associated with Change Management services.

**Table 4. Change Management Roles and Responsibilities**

CHANGE MANAGEMENT ACTIVITIES ROLES AND RESPONSIBILITIES	PROVIDER	FUND
1. Plan and estimate routine and emergency downtime periods	X	
2. Review planned and emergency changes to the change control board for approval.		X
3. Present solution for approval to the Enterprise Architecture Committee (if applicable)		X
4. Submit changes to the Change Control Board for Review		X
5. Communicate changes and downtime to the stakeholders		X
6. Coordinate communication and changes with other stakeholders	X	X
7. Implement approved changes	X	
8. Test the implemented work before commissioning	X	
9. Report performance against service-level requirements	X	
10. Update Solman for business process changes	X	
11. Utilize Charm for system transports (if applicable)	X	

## 6.3.2.5 Training and Knowledge Transfer

The following identifies activities and roles and responsibilities associated with Training and Knowledge Transfer services.

**Table 5. Training and Knowledge Transfer Activities Roles and Responsibilities**

TRAINING AND KNOWLEDGE TRANSFER ACTIVITIES ROLES AND RESPONSIBILITIES	PROVIDER	FUND
1. Develop training and knowledge transfer plan	X	
2. Approve training and knowledge transfer plan		X
3. Provide technical training assistance and knowledge transfer to existing support personnel, during deployment as requested	X	
4. Provide training materials related to the technical aspects of SAP	X	
5. Provide End-User training content	X	
6. Review and validate training content		X

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TRAINING AND KNOWLEDGE TRANSFER ACTIVITIES ROLES AND RESPONSIBILITIES	PROVIDER	FUND
7. Provide continuing end-user training for improving "how-to-use" skills on SEN following the prescribed methodology	X	
8. Create and maintain training instances or clients	X	
9. Develop, document and deliver training that support the ongoing provision of the Fund's services, including refresher courses as needed and work instruction on new functionality	X	
10. Provide training facilities, subsistence & travel and ensure user-attendance		X

**6.3.2.6 Documentation**

Documentation services are the activities associated with developing, revising, maintaining, reproducing and distributing information in either hard copy or electronic form that is performed as part of a Service Request. Documentation related to SAP services includes:

- I. System specifications and documentation
- II. End-user documentation
- III. System security plans
- IV. Updates and release notes.
- V. Solution Manager maintenance

The following table identifies the roles and responsibilities associated with Documentation services.

**Table 6. Documentation Roles and Responsibilities**

DOCUMENTATION ROLES AND RESPONSIBILITIES	PROVIDER	FUND
1. Recommend specifications and documentation format and content as per industry best practice standards	X	
2. Approve documentation format and content		X
3. Provide solution specifications and documentation	X	
4. Provide solution installation, support, configuration and tuning manuals	X	
5. Provide solution requirements documentation	X	
6. Provide logical and physical data model	X	
7. Provide solution security procedures	X	
8. Develop standard operating procedures	X	X
9. Prepare updates and release notes	X	
10. Deliver updates and release notes	X	
11. Document version control for all documentation	X	

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DOCUMENTATION ROLES AND RESPONSIBILITIES	PROVIDER	FUND
12. Provide documented business continuity in an event of a major incident	X	X
13. Approve documented SAP business continuity in an event of a major incident		X
14. Approve documentation delivered		X

The following table identifies the roles and responsibilities associated with General Monitoring services.

General Monitoring Roles and Responsibilities	PROVIDER	FUND
1. Provide proactive and scheduled monitoring of the solution and respond to messages and take corrective action as required	X	
2. Identify and report problems or / or risks including hardware, system, file and solution problems proactively		X
3. Resolve or assist in resolving solution problems according to industry best practices and as per the SLR	X	
4. Respond to alerts generated by the solution	X	X
5. Schedule and perform monthly audits to ensure that only active users are registered as per the user access procedure	X	X

## 6.4 Project Duration

Deployment and production use of the solution should be completed within three to six months after signing of the award and contract for the project. Support and maintenance should commence soon after the solution is in production and utilized by the Fund.

## 6.5 Management of the Assignment

The service provider will furnish satisfactory evidence of its capability to provide professional and timely services. To meet this requirement, the service provider must:

6.5.1 Provide proof of evidence that the team have expertise to perform that task.

6.5.2 Service provider will have to provide the assurance that the confidentiality of information and data will be secured all the time.

6.5.3 Provide skills transfer to the in-house ICT team.

## 6.6 Service Management

A key objective of Service Management is to simplify Service Level Requirements (SLRs). Service Level Agreements (SLAs) and Project-specific SLAs are specified with fee reductions where business is impacted through failure to meet significant mission critical system or service, or project milestones or objectives warrants a reduction in fees paid when

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service performance requirements are not met. SLRs are detailed in the below table. Provider shall provide written reports to Fund regarding Provider's compliance with the SLRs specified below.

## 6.6.1 Service Level Requirements (SLRs)

The following minimum service levels are required once the solution is in production. Provider must consistently meet or exceed the following SLRs. SLRs associated with fee reductions will be detailed in the Service Level Agreement.

**Table 7. System/Modules Development SLRs**

<b>DEFINITION</b>	Project Management tools and practices should be employed by the provider for managing the application development work effort estimation and service request processes to ensure consistency, accuracy, and timeliness during the initial start-up period. Solution Development Productivity Requirements that Provider must meet during the initial start-up period for the solution development work to minimize work defects and ensure timeliness of product delivery.
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ENHANCEMENT SERVICE LEVEL REQUIREMENTS				
Service Type	Service Measure	Performance Target	Minimum Performance %	MEASUREMENT INTERVAL
<b>Project Estimation Methods and Tools Used for Cost and Schedule</b>	Target time	100% of projects	100%	Monthly
<b>Project time estimation (actual time vs. estimated time)</b>	Target time	Actual time estimate	Actual - Not more than +/- 15% of estimate	Monthly
<b>Service Requests</b>	Target Time	Deliver request within target time	<3 days 95%	Monthly
<b>Milestone Completion – Milestones on the Critical Path</b>	Completion Date	Completion of milestones by scheduled completion date	100%	Weekly
<b>Milestone Completion – All Milestones NOT on Critical Path</b>	Completion Date	Completion of milestones by scheduled completion date	100%	Weekly

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ENHANCEMENT SERVICE LEVEL REQUIREMENTS				
Service Type	Service Measure	Performance Target	Minimum Performance %	MEASUREMENT INTERVAL
<b>Functional Requirements Met</b>	Requirements Traceability Matrix	100% pass of test cases	100%	Project Completion
<b>Quality</b>	Deviations from Specifications	Less than 2% errors/defects found during UAT	98%	Monthly
	Formula	Performance = Transactions completed within required time/Total Transactions		
	Reporting Interval	Monitor Continuously, Report Monthly		
	Measurement Tool	ITSM tools and Project Management tools		

**Table 8. System/Modules Support and Maintenance SLRs**

<b>DEFINITION</b>	System/Modules Support and Maintenance Service Level Requirements are the performance metrics related to the services that the Provider must provide on an ongoing basis in support of production systems in response to reported work defects and requests for changes in the systems/modules.
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**Priority 1 (Emergency):**

Complete loss of a critical business function already in production, no reasonable workaround exists

**Priority 2 (High):**

Partial loss of critical business function already in production and/ or significant degradation of ability to provide service to the Fund. Incidents with any application / database which is important to a Fund's business or operations and which make the application / database unusable or unavailable; a reasonable workaround does exist.

**Priority 3 (Medium):**

Degradation or loss of non-critical business functions already in production. Users can continue operating with the results being adequate to perform needed functionality (although the process or format may be less than desirable).

**Priority 4 (Low):**

Degradation or loss of production functionality that affects individuals or small workgroups, minimal impact, preventing completion of a non-critical task but NOT impacting other aspects of the user's workstation.



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SYSTEM/MODULES SUPPORT AND MAINTENANCE SERVICE LEVEL REQUIREMENTS				
Service Type	Service Measure	Performance Target	Minimum Performance %	MEASUREMENT INTERVAL
Availability of Systems/Modules	Availability	As defined by the Fund	98%	Daily
Response Time of the system/module	Response time from user entering their fingerprint to system providing the result entering their user fingerprint Entering Command to Result	As defined by the Fund	97%	Daily
Service Requests	Delivery Reply	<5 days	<5 days 98%	Weekly
Incident Handling	Time to Respond (All Priority Levels)	<30 minutes>	<30 minutes> 98%	Monthly
	Time to Resolve			
	Priority Level 1	<1 hours	98%	
	Priority Level 2	<3 hours	98%	
	Priority Level 3	<5 hours	98%	
	Priority Level 4	Next Business Day or as Prioritised by Fund	95%	
Availability of Support Staff	Availability / Timesheets	As defined by the Fund	98%	Weekly
	Formula	Performance = Transactions completed within required time/Total Transactions		
	Reporting Interval	Monitor Continuously, Report Monthly		
	Measurement Tool	ITSM		

## **6.6.2 Reports**

The bidder shall provide written reports to the Fund regarding the provider's compliance with the SLRs specified above. In addition, the following reports are required:

**Table 9. SAP Reports**

DESCRIPTION	FREQUENCY
Monthly Report	7 <sup>th</sup> day of every month
Governance, Risk and Compliance reports	7 <sup>th</sup> day of every month
RCA report per opened problem	Within 3 days
System Monitoring / Performance Checks	Daily

## **7. DELIVERY ADDRESS**

The services must be supplied or provided at the following physical address;

No	Physical Address
1	Delta Heights, 167 Thabo Sehume, Pretoria, Gauteng

It should be noted that the Fund will provide office space and connectivity for the resources allocated to the project to perform the required work during the contract period. However, the bidder must arrange for secure parking around the area. The resources may also be expected to travel to the sites where the Fund has a presence.

The travelling costs shall be the responsibility of the bidder and the estimate must be included in the price schedule.

## **8. BID SUBMISSION REQUIREMENTS**

The bidder must submit a bid response documentation pack and it must be delivered at the correct physical address and within the stipulated date and time as specified in the "Invitation to Bid" cover page, and the bidders are expected to submit the following:

- One original in two separate batches (1) Technical (2) Price proposal
- One original, 4 exact copies of the original technical and price proposal
- No electronic version will be accepted.

## **9. BID EVALUATION STAGES**

- a) The bid evaluation process consists of several phases that are applicable according to the nature of the bid as defined in the table below.
- b) The bid will be evaluated according to the 90/10 principle as prescribed in the Preferential Procurement Regulations of 2022.

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Stage	Description	Applicable for this bid
Phase 1	Administrative compliance requirements	YES
Phase 2	Technical Mandatory requirements	YES
Phase 3	Technical Functionality evaluation	YES
Phase 4	Evaluation on Price and Specific Goals or Preference	YES

The bidder must qualify for each stage to be eligible to proceed to the next stage of the evaluation.

**PHASE 1: ADMINISTRATIVE COMPLIANCE REQUIREMENTS**

If the Bidder failed to comply with any of the administrative compliance requirements, or if the Fund is unable to verify whether the pre-qualification requirements are met, then the Fund reserves the right to –

- (a) Reject the bid and not evaluate it, or
- (b) Accept the bid for evaluation, on condition that the Bidder must submit within 7 (seven) days after notice any supplementary information to achieve full compliance, provided that the supplementary information is administrative and not substantive in nature.
- (c) All bids will be measured against the administrative pre-qualification requirements. Only bids that comply with the criteria mentioned below will be considered for further evaluation.
- (d) The Service providers must be registered with the Central Supplier Database and provide their unique CSD registration number
- (e) If it is a Joint Venture must submit joint ventures Agreement that signed as acceptable proof of the existence. The joint venture must clearly set out the roles and responsibilities of the Lead Partner and the joint venture. The agreement must also clearly identify the Lead Partner, who shall be given the power of attorney to bind the other party/parties in respect of matters pertaining to the joint venture.
- (f) Valid COIDA Letter of Good Standing
- (g) Provide Tax Compliance Status - Pin issued by SARS
- (h) Completed and Signed Standard Bidding Documents (SBD forms)
- (i) SBD 6.1 form as a requirement in above paragraph (h) must be accompanied by proof or documentation required in terms of this tender to claim points for specific goals as specified in this bid.

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- (j) Requirements stipulated in f) to i) must be provided by both companies submitting bids as part of a consortium or joint venture.

NB: Please note that failure to provide any of the above requirements within (7) working days after the notice will lead to automatic disqualification of the service provider's bid proposal.

## PHASE 2: TECHNICAL MANDATORY REQUIREMENTS

**Purpose: Technical Mandatory requirements are the absolute minimum requirements to fulfil the Business Objective.**

### INSTRUCTION AND EVALUATION CRITERIA

- (a) The bidder **must comply with ALL the requirements by providing substantiating evidence** in the form of documentation or information, failing which it will be regarded as "NOT COMPLY".
- (b) The bidder **must provide a unique reference number** (e.g. binder/folio, chapter, section, page) to locate substantiating evidence in the bid response. During evaluation, Compensation Fund reserves the right to treat substantiation evidence that cannot be located in the bid response as "NOT COMPLY".

TECHNICAL MANDATORY REQUIREMENTS	Substantiating evidence of compliance (used to evaluate bid)	Evidence reference (to be completed by bidder)
<p>1. <b>BIDDER CERTIFICATION / AFFILIATION REQUIREMENTS</b></p> <p>The solution must be an accredited SAP biometric identity management solution</p>	<p>Provide a copy of a valid certificate or letter from SAP indicating:</p> <p>(a) Bidder to provide confirmation that the proposed software is an SAP accredited biometric identity management solution</p> <p>(b) The bidder is authorized to resell this software by the OEM.</p> <p><b>NB:</b> All letters or certificates must be in writing, dated, signed and on a letterhead of the entity that issued it. The certification should be valid throughout the term of the contract.</p> <p><b>NB:</b> The Compensation Fund reserves the right to verify information provided.</p>	<p>&lt;provide unique reference to locate substantiating evidence in the bid response &gt;</p>

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The bidder must comply with ALL the TECHNICAL MANDATORY REQUIREMENTS in order for the bid to proceed to the next stage of the evaluation.

## 9.1 DECLARATION OF COMPLIANCE

	Comply	Not Comply
<p>1. The bidder declares by indicating with an "X" in either the "COMPLY" or "NOT COMPLY" column that –</p> <p>(a) The bid complies with each and every TECHNICAL MANDATORY REQUIREMENT as specified in Phase 2 above; AND</p> <p>(b) Each and every requirement specification is substantiated by evidence as proof of compliance.</p>		

## PHASE 3: TECHNICAL FUNCTIONALITY EVALUATION

- Bids will be evaluated strictly according to the bid evaluation criteria set out below.
- A minimum threshold of 70 % for the technical elements must be scored; otherwise the bid will be regarded as non-responsive and be disqualified. Bids that do not meet or better the technical threshold score of 70% will not be evaluated further.

Technical Scorecard			
	Criteria	Scoring Guide	Weight
1	<p><b>BIDDER EXPERIENCE AND CAPABILITY REQUIREMENTS</b></p> <p>Provide letters of contactable references from customers to whom the project or service was delivered and indicate the following:</p> <p>(a) Each letter must be dated, signed and on a letterhead and logo of the customer;</p> <p>(b) The customer Company name and physical address;</p> <p>(c) Customer contact person's name, telephone number and email address;</p> <p>(d) Project scope of work (SAP certified biometric identity management solution implementation)</p>	<p>1. 5+ valid, written and signed reference letters as per requirement =30</p> <p>2. 3-4 valid, written and signed reference letters as per requirement = 25</p> <p>3. 1-2 valid, written and signed reference letters as per requirement = 10</p> <p>4. No reference letters = 0</p>	30

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	NB: The Compensation Fund reserves the right to verify information provided and reference letters not conforming to the above-mentioned 4 requirements will not be considered		
2	<b>METHODOLOGY AND PROJECT PLAN</b> The bidder to provide a comprehensive and a structured approach detailing the methodology, proof of evidence that the team has the expertise to perform the task and project plan to manage the assignment. The plan must also clearly indicate dependencies.	1. Comprehensive and detailed project plan describing all high level activities in logical sequence with clear time frames as per the terms of reference aligned to the 3 – 6 months delivery and indicates milestones and time frames for each deliverable with relevant team members to execute the assignment = 25  2. Project plan describing all high level activities in logical sequence but not adequately aligned to the terms of reference or has no clear time frames and indication of milestones and time frames for each deliverable or team members are not aligned to the tasks required = 10  3. Neither the methodology or project plan is provided = 0	25
3	<b>SERVICE MANAGEMENT</b> Bidders must clearly demonstrate how they will achieve the response time option by providing in their respective responses for a clear approach and methodology that will be followed to achieve the required outcome.	1. The turnaround time to respond to faults is on the same day (working hours (08:00 to 16:00)) and the approach and methodology that will be followed to achieve the turnaround time is clearly defined = 15 points  2. The turnaround time to respond to faults is on the	15

*Handwritten signatures and initials*

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	(NB: The bidders must note there are penalties that will be imposed as per the signed SLA)	<p>same working day and the approach or methodology that will be followed to achieve the turnaround time is clearly defined = 7 points</p> <p>3. No information provided or information provided not relevant or the approach and methodology that will be followed is not clearly defined = 0 point</p>	
4	<p><b>SOLUTION IMPLEMENTATION</b></p> <p>The bidder to provide a structured approach and architecture also detailing the dependencies from the Fund to ensure successful implementation of project</p>	<p>1. 1. A detailed solution design fully meeting all technical and functional requirements = 30</p> <p>2. 2. A solution design partially meeting technical and functional requirements= 15</p> <p>3. 3. Design not meeting requirements or not relevant = 0</p>	30
	<b>Total technical score</b>		<b>100%</b>
	<b>Minimum threshold for technical proposal</b>		<b>70%</b>

c) All bidders who score less than (70% out of 100%) will not be considered for further evaluation on Price and Specific goals.

**PHASE 4: PREFERENCE POINT SYSTEM (PRICE AND SPECIFIC GOALS)**

The Service providers must complete a pricing schedule as indicated below:



# PRICING PROPOSAL

Billing milestones	Estimated Expenditure (year 1)	Estimated Expenditure (year 2)	Estimated Expenditure (year 3)	TOTAL for the 3 years
<b>License costs</b> SAP certified biometric solution licence (payable at the start of the contract)	R	R	R	R
<b>Hardware Devices</b> Supply and delivery of 190 finger print devices with delivery, warranty, support and maintenance (payable upon delivery)	R	N/A	N/A	R
Requirements Analysis and Documentation	R	N/A	N/A	R
Development and Configuration	R	N/A	N/A	R
Unit testing	R	N/A	N/A	R
Integration testing with DHA	R	N/A	N/A	R
User Acceptance Testing	R	N/A	N/A	R
Go live	R	N/A	N/A	R



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Post – Go live Support and maintenance	R	R	R	R	R
10 000 bucket of hours for new requirements / major enhancements per annum.	R	R	R	R	R
Travelling costs	R	N/A	N/A	R	R
Software Maintenance – Annual (Payable on Anniversary date of contract)	R	R	R	R	R
TOTAL BID PRICE PER ANNUM	R	R	R	R	R
APPLICABLE TAXES PER ANNUM	R	R	R	R	R
TOTAL BID PRICE INCLUDING *ALL APPLICABLE TAXES PER ANNUM	R	R	R	R	R

Bidders must provide a bid price over 3 years. This price must be inclusive of VAT and THE PRICE MUST BE INDICATED ON THE SED 3.3 attached herewith. Failure of which will result in immediate disqualification.

- Only the financial proposal envelopes of those Service providers shortlisted during phase 1 & 2 will be opened.
- Bid proposals will be evaluated in accordance with the 90/10-preference point system, as contemplated in the Preferential Procurement Policy Framework Act (Act 5 of 2000) and Preferential Procurement Regulations, 2022.
- The points in respect of price will be calculated on the ceiling price of the bid.

Only Bidders that have met the 70% points threshold in Phase 3 (three) will be evaluated in Phase 4 (four) for Price and Preference. Price and Preference will be evaluated as follows:

In terms of regulation 6 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated on the 90/10 Preference Point system in terms of which points are awarded to bidders on the basis of:

- A maximum of 10 points may be awarded to a bidder for the specific goals specified in this bid.
- The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places
- The bid must be awarded to the bidder scoring the highest points.

i. **Stage 1 – Price Evaluation (90 Points)**

The following formula will be used to calculate the points for price:

Where

Criteria	Points
<b>Price Evaluation</b>  $P_s = 90 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$	90

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

$P_t$  = Comparative price of bid under consideration

$P_{\min}$  = Comparative price of lowest acceptable bid

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ii. **Stage 2 – Specific Goals or Preference Evaluation (10 Points)**

**(a) Specific Goals or Preference Points Allocation**

Specific goals	Points out of 10 (90/10)	Required Proof	Ownership %	Points Claimed	Proof attached (Y/N)
<b>Promotion of Women owned enterprises</b>	4	(a) A certified copy of the founding documentation of the company with which the ownership is listed  (b) Certified copy of identity document such as SA ID book.  (c) Latest Central Supplier Database (CSD) report with women as owners/shareholders/directors of the company.			
<b>Promotion of enterprises owned by people with disability</b>	1	(a) A certified copy of the founding documentation of the company with which the ownership is listed  (b) A signed letter from a duly authorized medical practitioner  (c) Latest Central Supplier Database (CSD) report with people with disability as owners/shareholders/directors of the company.			

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FOR A PERIOD OF 3 YEARS**

<b>Promotion of enterprises owned by youth</b>	3	<p>(a) Certified copy of the founding documentation of the company with which the ownership is listed</p> <p>(b) Certified copy of identity document such as SA ID book</p> <p>(c) Latest Central Supplier Database (CSD) report with youth as owners/shareholders/directors of the company</p>			
<b>Promotion of local enterprises</b>	2	<p>Within Gauteng Province = 2 points</p> <p>Outside Gauteng Province = 0 points</p> <p>(a) certified copy of the founding documentation of the company with which the ownership is listed</p> <p>(b) Proof of residence under the name of the tenderer</p> <p>(c) Latest Central Supplier Database (CSD) report with supplier address</p>			
<b>Maximum points</b>	10				

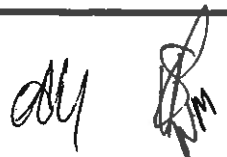
- Failure on the part of a bidder to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
- The Fund reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the Fund.

**10. RULES OF BIDDING / SPECIAL CONDITIONS OF CONTRACT**

- a) The bid validity period is 120 calendar days starting from the closing date of the bid advertisement and any bidder not responding to extension of validity will be disqualified.
- b) The Fund will enter into a single contract with a single company for the delivery of the work set out in these terms of reference. It will be expected that the contracted company have necessary expertise or secure such expertise by means of subcontracting, or under a joint venture arrangement.
- c) The service provider will be required to sign a non-disclosure agreement with the Fund.
- d) The information of the Fund must be treated with confidentiality.
- e) The bucket hours will be billed on a consumption basis.
- f) Major requirements will be submitted in a form of a change request; the bidder will be required to provide an estimated effort for the implementation. The approval will be granted by the Fund for the service provider to proceed with the implementation of the change request. In case there are no new requirements for the remainder of the 10000 hours for that particular year, the amount will be carried over to the next year. In cases where the ten thousand (10 000) hours allocated for the year are depleted, the next year's hours can be utilized for such additional work.
- g) Compliance pin issued by SARS must be submitted by all South African companies submitting bids as part of a consortium or joint venture.
- h) Foreign company providing proposals must become familiar with local conditions and laws, and take them into account in preparing their proposals.
- i) Bids must be submitted in South African Rands, on a fixed price basis.
- j) The cost of preparing bids and of negotiating the contract will not be reimbursed.
- k) The Fund is not bound to accept any of the bids submitted.
- l) The Fund reserves the right to withdraw or amend these terms of reference by notice in writing to all parties who have received the terms of reference.
- m) The Fund reserves the right to call interviews with short-listed bidders before final selection.
- n) The Fund reserves the right to negotiate price with the preferred bidder.
- o) Company may ask for clarification on these terms of reference up to close of business 7 days before the deadline for the submission of bids. Any request for clarification must be submitted in writing by email and will be replied to in writing by email.

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[eeenquiries@labour.gov.za](mailto:eeenquiries@labour.gov.za)



**IMPLEMENTATION OF A BIOMETRIC IDENTITY MANAGEMENT SOLUTION WITHIN SAP ERP SYSTEMS  
FOR A PERIOD OF 3 YEARS**

---

- p) The Fund reserves the right to return late bid submissions unopened.
- q) The Fund reserves the right not to evaluate bids that are not submitted in the format specified in these terms of reference. Failure to submit the bids in the specified format will invalidate your bid.
- r) A company may not contact the Fund or any member of the bid committees, on any matter pertaining to their bid from the time when bids are submitted to the time the contract is awarded. Any effort by a bidder to influence bid evaluation, bid comparisons or bid award decisions in any matter, may result in rejection of the bid concerned.
- s) The deadline for submission of bids is 11h00 on 03 October 2023
- t) The required service must commence one week after the official order has been placed and contract signed.
- u) No incomplete tenders, late tenders and tenders received telegraphically or per facsimile shall be accepted.
- v) The personnel of the civil company shall adhere to security regulations of the Fund. This entails issues like locking all valuables and computer equipment, remove of any computer equipment from the Department's premises.
- w) A two envelope system must be used, with one envelope containing only the price proposal and the other envelope containing the technical proposal, and all other tender documents.
- x) Bids must be submitted **by hand** to:  
**Compensation Fund**  
**167 Thabo Sehume Street,**  
**Delta Heights Building,**  
**Pretoria CBD,**  
**0002**
- y) **Bids must be clearly marked:**
  - a. Bid Number TCF 04: 2023/24
  - b. Implementation of a biometric identity management solution within SAP ERP systems for a period of 36 months
  - c. Compensation Fund Chief Directorate Supply Chain Management
  - d. Attention: Acquisition Management



**11. GENERAL CONDITIONS OF CONTRACT**

The general conditions of contract as enclosed in the standard bidding documents apply.

**12. BRIEFING SESSION**

**A non-compulsory briefing session will be held on .20 September 2023**

**Compensation Fund**

**167 Thabo Sehume,**

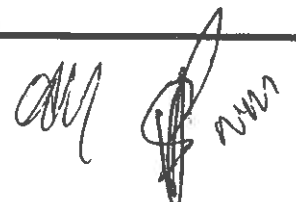
**Delta Heights Building,**

**Pretoria CBD,**

**0002**

**13. ENQUIRIES**

[scmenquiries@labour.gov.za](mailto:scmenquiries@labour.gov.za)



**SBD 3.3**

**PRICING SCHEDULE**  
(Professional Services)

NAME OF BIDDER: .....	BID NO: TCF 04:2023/24
CLOSING TIME 11:00	CLOSING DATE: 03 October 2023

OFFER TO BE VALID FOR 120 DAYS FROM THE CLOSING DATE OF BID.

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

1. The accompanying information must be used for the formulation of proposals.

2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project. R.....

3. PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)

4. PERSON AND POSITION DAILY RATE	HOURLY RATE	DAILY RATE
.....	R.....	.....
.....	R.....	.....
.....	R.....	.....
.....	R.....	.....
.....	R.....	.....

5. PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT

.....	R.....	---days
.....	R.....	---days
.....	R.....	---days
.....	R.....	---days

5.1 Travel expenses (specify, for example rate/km and total km, class of airtravel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.

DESCRIPTION OF EXPENSE	TO BE	QUANTITY AMOUNT
.....	R.....	.....
.....	R.....	.....
.....	R.....	.....



**The Appointment of a Service Provider to provide Biometric Identity Management Solution within SAP ERP System and HANA platform at the Compensation Fund for a period of three (3) years.**

.....  
 .....

R.....

TOTAL: R.....

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

5.2 Other expenses, for example accommodation (specify, eg. Three star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

DESCRIPTION INCURRED	RATE	OF QUANTITY	EXPENSE	TO AMOUNT	BE
-------------------------	------	----------------	---------	--------------	----

.....  
 .....

R.....

.....  
 .....

R.....

.....  
 .....

R.....

.....  
 .....

R.....

TOTAL: R.....

6. Period required for commencement with project after acceptance of bid.....

7. Estimated man-days for completion of project .....

8. Are the rates quoted firm for the full period of contract? \*YES/NO

9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.

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

\*[DELETE IF NOT APPLICABLE]

Any enquiries regarding bidding procedures may be directed to the –

SCM.enquiries@labour.gov.za

## SBD 4

### BIDDER'S DISCLOSURE

#### 1. PURPOSE OF THE FORM

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

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

#### 2. Bidder's declaration

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

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

Full Name	Identity Number	Name of institution	State

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

2.2.1 If so, furnish particulars:

---

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

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

- 2.3.1 If so, furnish particulars:

.....  
.....

### **3 DECLARATION**

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

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

---

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

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 90/10 system for requirements with a Rand value of R50 000 000 and above (all applicable taxes included); and
- 1.2
- a) The value of this bid is estimated to exceed R50 000 000 (all applicable taxes included) and therefore the 90/10 preference point system shall be applicable.
- 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
<b>PRICE</b>	<b>90</b>
<b>B-BBEE STATUS LEVEL OF CONTRIBUTOR</b>	<b>10</b>
<b>Total points for Price and B-BBEE must not exceed</b>	<b>100</b>

- 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.

1.7

## 2. DEFINITIONS

- (a) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
  - 1) B-BBEE Status level certificate issued by an authorized body or person;
  - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
  - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

## 3. POINTS AWARDED FOR PRICE

### 3.1 THE 90/10 PREFERENCE POINT SYSTEMS

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

**90/10**

$$P_s = 90 \left[ 1 - \frac{P_t - P_{\min}}{P_{\min}} \right]$$

Where

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

$P_t$  = Price of bid under consideration

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

#### 4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

- 4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10) system)
1	10
2	9
3	8
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	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 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		
<b>OR</b>		
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



**The Appointment of a Service Provider to provide Biometric Identity Management Solution within SAP ERP System and HANA platform at the Compensation Fund for a period of three (3) years.**

- ☐ 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** .....

.....

.....

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

### **NOTES**

**The purpose of this document is to:**

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

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

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

## **TABLE OF CLAUSES**

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

## **General Conditions of Contract**

1. **Definitions** 1. The following terms shall be interpreted as indicated:
  - 1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
  - 1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
  - 1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
  - 1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of 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 X 85, Pretoria 0001, or accessed electronically from [www.treasury.gov.za](http://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 organization acting on behalf of the Department.

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 8 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 those 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 10 such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

#### **16. Payment**

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

## **17. Prices**

- 5.1 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 cancelling 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 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.
- 23.5 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 antidumping 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
  - (a) The purchaser shall pay the supplier any monies due the supplier.

**28. Limitation of liability**

- 28.1 Except in cases of criminal negligence or wilful 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 exchanged by the parties shall also be written in English.

**30. Applicable law**

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

**31. Notices**

- 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice.
- 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

**32. Taxes and duties**

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

**33. National Industrial Participation (NIP) Programme**

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

**34. Prohibition of Restrictive practices**

- 34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).
- 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.
- 34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.