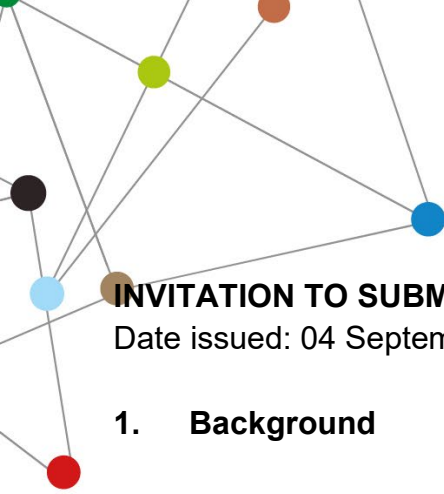
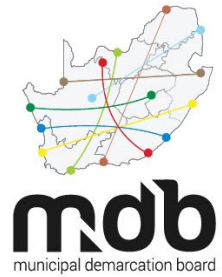




INVITATION TO SUBMIT BID PROPOSALS

Date issued: 04 September 2025



1. Background

The Municipal Demarcation Board invites suitably qualified and experienced service providers to submit bid proposals for the provisioning of internal auditing services for the Municipal Demarcation Board (MDB) for a period of Thirty-Six Months (36), bearing Bid Number MDB001 – 2025/2026.

2. Terms of Reference

The scope (TOR) and approach and deliverables are contained in the Terms of Reference document. Bidders are requested to study and understand the TOR to submit responsive bids.

3. Briefing Session

A compulsory briefing session will be held virtually (Teams meetings) on 16 September 2025 at 10:00am, (**Meeting ID: 335 273 896 237 Passcode: YR6XR727**).

4. Bid submission.

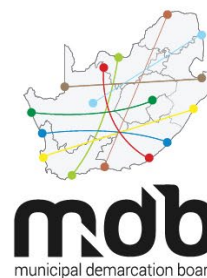
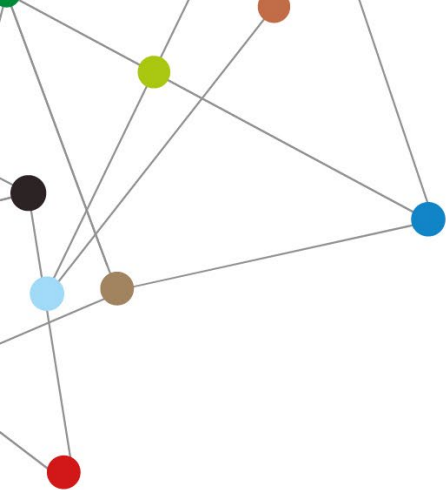
Original bids and proposals must be submitted at the offices of MDB and deposited in the tender box. Door to door deliveries by courier services are accepted, provided the bidder instructs the courier firm to deposit the bids in the tender box. The closing date is **30 September 2025 at 11h00**. Incomplete (non-responsive), late, faxed or emailed bids will **NOT** be accepted.

5. Reservation

The MDB reserves the right to withdraw this bid at any time before the award. The MDB also reserves the right not to award the contract with the highest points in terms of price and BBBEE. Bidders must be registered on the National Treasury Central Supplier Database at the time of award.

Issued by

MR MANYE MOROKA
CHIEF EXECUTIVE OFFICER
MUNICIPAL DEMARCATION BOARD



TERMS OF REFERENCE FOR PROVISIONING OF INTERNAL AUDIT SERVICES FOR THE MUNICIPAL DEMARCATION BOARD FOR A PERIOD OF THIRTY-SIX (36) MONTHS

1. INTRODUCTION

The Municipal Demarcation Board (hereinafter referred to as the “Board”) is a constitutional institution that was established in terms of the Constitution of the Republic of South Africa, 1996 (“the Constitution”), and the Local Government: Municipal Demarcation Act, 1998 (“the Demarcation Act”). In terms of Section 39 of the Demarcation Act, the Board is accountable to Parliament.

The Board derives its mandate from the Constitution of the Republic of South Africa, the Local Government: Municipal Demarcation Act, 1998 and the Local Government: Municipal Structures Act, 1998. In terms of Section 155(3) (b) of the Constitution read with sections 4 and 21 of the Demarcation Act, 1998, the Municipal Demarcation Board is responsible for the demarcation and redetermination of municipal boundaries, and in terms of section 157(4) (a) of the Constitution read with Schedule 1 to the Structures Act, 1998 the Municipal Demarcation Board is responsible for the delimitation of wards.

2. PURPOSE

The purpose of the Terms of Reference is to appoint a suitably qualified independent internal audit service provider that can establish and maintain an appropriate internal audit service to the Audit, Risk and ICT Committee and Management of the Municipal Demarcation Board, hereinafter referred to as the “Board”.

3. SCOPE OF SERVICE

The internal audit service will be an outsourced function. The scope of the internal audit service shall consist of:

3.1. Provision of appropriate human resource capacity to the following assignments based on the approved internal audit methodology and plan or as and when specific needs and requests are made:

Audit Area	Scope of Work	Frequency
Governance, Risk Management & Compliance	• Fulfil statutory requirements in line with PFMA, Treasury Regulations, and IIA Standards. • Review and update the Internal Audit Charter and methodology annually. • Conduct annual enterprise-wide risk assessments and workshops. • Review risk management frameworks, registers, and treatment plans. • Perform corporate governance reviews. • Assess legislative compliance framework and provide recommendations. • Conduct compliance audits, including half-yearly and annual GRAP compliance reviews.	Annual / Bi-annual / As required
Financial & Control Environment	• Perform financial audits to assess accuracy and completeness of financial data. • Review Annual Financial Statements before Auditor-General submission. • Conduct internal control environment audits. • Quarterly validation of commitment registers (balances, contract validity, management adequacy). • Develop and maintain a combined assurance framework and plan.	Quarterly / Annual
Performance Auditing	• Conduct quarterly and annual performance audits against predetermined objectives. • Audit quarterly performance reports • Review human resources management practices, including recruitment, performance management, and legislative compliance.	Quarterly / Annual
ICT & Systems Audits	• Conduct ICT/Computer audits to assess information security, systems reliability, and compliance with ICT policies. • Review ICT governance, controls and processes	Annual / As required

Supply Chain Management & Probity	• Perform probity audits to ensure fairness and transparency in procurement. • Conduct quality assurance reviews of competitive bidding processes before award. • Review tender processes for all bids considered by the Board for compliance with legislation and internal policy.	As required
Fraud Prevention & Investigations	• Manage and investigate fraud hotline reports. • Conduct ad hoc forensic audits when required. • Follow up on implementation of prior internal and external audit recommendations.	Ongoing / As required
Audit Planning, Reporting & Advisory	• Prepare a three-year strategic internal audit plan and annual coverage plan. • Undertake special assignments authorised by management or the Audit, Risk & ICT Committee. • Develop an annual opinion on internal control, governance, and risk management effectiveness. • Present regular progress reports and findings to the Audit, Risk & ICT Committee and management.	Annual / Quarterly / As required

3.2. The contractor will be expected to provide detailed estimated hours per annum for each of the areas on the scope of service (Annexure A).

3.3. Special conditions of contract

- a) The RFP should be submitted with all required documentation containing information on functional/ technical and price information.
- b) Only bidders who score at least **80%** for the functional/technical information will be evaluated further on price and B-BBEE contributor level/status.
- c) Pricing schedule MUST contain the average rate per hour (Annexure A and SBD 3.1 refers).
- d) No tender shall be awarded to a bidder whose name appears on the Register of Tender Defaulters maintained by National Treasury, or who have been placed on National Treasury's List of Restricted Suppliers. Bidders who are in the defaulters list shall be automatically disqualified
- e) The successful bidder will have to enter into a service level agreement (SLA) or special conditions of contract with the Board.
- f) Qualification verification shall be done for directors and employees involved with the contract prior to appointment. The proposed team may not be changed during the contract period unless agreed with the Board. Any change in the proposed team must be replaced with equally qualified resources.

4. SCOPE OF INTERNAL AUDIT WORK

The scope of internal audit work entails evaluating the adequacy and effectiveness of the organisation's systems of control. These include, but not limited to:

- 4.1. Review and audit the reliability, integrity, and accuracy of financial and operating information, including the processes and controls used to identify, measure, classify, and report such information.
- 4.2. Evaluate the adequacy and effectiveness of systems used to produce financial and operational information to ensure alignment with MDB's objectives.
- 4.3. Review systems and processes established by management to ensure compliance with applicable laws, regulations, policies, plans, and procedures that significantly impact operations.
- 4.4. Determine the extent of compliance with legislative, regulatory, and policy requirements, including PFMA, Treasury Regulations, GRAP, and other relevant frameworks.
- 4.5. Review and evaluate the adequacy of controls designed to safeguard MDB's assets and verify the physical existence of assets through inspections and reconciliations.
- 4.6. Appraise the economy, efficiency, and effectiveness with which MDB resources are employed, and identify opportunities to improve operational performance and service delivery.
- 4.7. Review operations and programmes to determine whether results are consistent with established objectives and whether activities are carried out as planned.
- 4.8. Review the planning, design, development, implementation, and operation of major ICT systems to ensure adequate controls, proper testing, complete documentation, and that user needs are met.
- 4.9. Report to the Audit, Risk and ICT Committee in writing on the scope of governance reviews, key findings, and recommendations.
- 4.10. Liaise with external auditors on MDB audits to promote coordination and avoid duplication of work.
- 4.11. Audit MDB's risk register on a quarterly basis to assess whether risks are identified, assessed, monitored, and mitigated appropriately.
- 4.12. Evaluate the effectiveness of risk management practices and controls in addressing identified risks.
- 4.13. Test and evaluate the adequacy and effectiveness of MDB's internal control systems across all functional areas.
- 4.14. Provide recommendations to strengthen control environments and mitigate identified risks.
- 4.15. Audit MDB's organisational performance management system to ensure it drives desired performance outcomes.
- 4.16. Review the implementation of performance management processes within Human Resource Management (HCM) for alignment with organisational objectives and legislative compliance.
- 4.17. Perform any ad hoc projects, special reviews, or investigations as and when required by the Audit, Risk and ICT Committee or management.
- 4.18. Manage and investigate fraud hotline queries in a confidential and timely manner.
- 4.19. Conduct probity audits to ensure fairness, transparency, and integrity in procurement and other sensitive processes

5. DESCRIPTION AND EXTENT OF WORK

5.1. Performance of audit assignments

Each assignment should consist of the following tasks:

- a) Audit preparation;
- b) Preliminary survey;
- c) Review of internal controls (policies and procedures);
- d) Audit testing;
- e) Development of findings and recommendations;
- f) Obtaining management responses; and
- g) Reporting.

All procedures and working papers must be made available on request within one working day, to management as well as the Audit, Risk and ICT Committee on request.

5.2. Timing of assignments

The Audit, Risk and ICT Committee shall approve the three-year and annual audit coverage plan before implementation. The performance of each assignment that is not in the audit coverage plan shall be agreed to by management and the Audit, Risk and ICT Committee by no later than one (1) month before work is due to commence.

5.3. Quality Assurance reviews of the work

The successful bidder shall ensure that all work conforms to the Standards for the Professional Practice of Internal Auditing (Institute of Internal Auditors).

5.4. Independence and objectivity of Audit staff

In carrying out the work, the successful bidder must ensure that their staff maintain objectivity by remaining independent of the activities they audit.

5.5. Monitoring progress of assignments

On a quarterly basis, the successful bidder shall meet with the Audit, Risk and ICT Committee to present written quarterly progress report of the work performed.

5.6. Report of audit results

The report(s) on findings and recommendations should be sent to the Chief Executive Officer and the Chief Financial Officer of the Board (auditee) responsible for implementing those recommendations for their review and comments. Within ten (10) working days of sending the report(s), the successful bidder shall meet with the auditee to discuss the findings and obtain written responses to recommendations together with implementation dates. If the findings have not yet been addressed these shall then be incorporated into the relevant report. The structure of the report is to be as follows:

- a) Introduction;
- b) audit objectives and scope;
- c) background;
- d) executive summary;
- e) findings, recommendations and management response (including implementation dates);

- f) conclusion; and
- g) method of proceeding

5.7. Fraud and irregularities

In planning and conducting its work, successful bidder should seek to identify serious irregularities, which might result in possible fraud, any such irregularities must be reported immediately to the Chief Executive Officer of the Board as well as the Audit, Risk and ICT Committee without disclosing these to any other member of the staff.

5.8. Authorised delegate(s)

Nothing as stipulated in these terms of reference may be amended without the written confirmation of the Chief Executive Officer of the Board.

6. ORGANISATIONAL STATUS AND REPORTING OF INTERNAL AUDIT

Internal Audit will report to the Audit, Risk and ICT Committee and the Chief Executive Officer of the Board and will help to promote and ensure:

- a) the independence of the internal audits;
- b) broad audit coverage;
- c) adequate consideration of audit reports; and
- d) The implementation of audit recommendations.

7. COMMENCEMENT AND DURATION OF THE CONTRACT

The contract shall commence 01 December 2025 upon conclusion of a Service Level Agreement by both parties and shall run for a period of thirty-six (36) months subject to annual review based on performance.

8. PROJECT COST AND PAYMENT TERMS

- 8.1. Bidders are required to indicate a ceiling price based on **3 600 (three thousand, six hundred hours)** including all expenses for the duration of the thirty-six (36) months contract.
- 8.2. Bidders are required to indicate estimated hours, costing for ad hoc activities including the expenses within the thirty-six (36) months period as per the contract.
- 8.3. Cost must be VAT inclusive and quoted in South African Rand.
- 8.4. All costs indicated in the pricing schedule must include annual escalations for years 2 and 3 of the contract period.
- 8.5. Payments to the service provider would be made within 30 days from receipts of an original valid invoice as per the Service Level Agreement for work done to MDB satisfaction.
- 8.6. Copies of time sheets must be attached to the invoice and will be payable after the final relevant report have been received by the Board.
- 8.7. No payment will be made where there is outstanding information/work not submitted by the service provider.

9. EVALUATION CRITERIA

- A three (3)-phased approach will be followed during the evaluation phase. All proposals received will be evaluated in accordance with the 80/20-point system as prescribed in the Preferential Procurement Regulation of 2022.
- Interested bidders are requested to submit proposals that consist of the sections highlighted below.
- Bidders are requested to peruse these requirements carefully to avoid submitting extraneous material.

9.1. PHASE 1 - ADMINISTRATIVE COMPLIANCE

- a) During this phase, the Standard Bid Documents (SBD) will be checked.
- b) Note that all the required documentation must be signed by a duly authorised representative.
- c) The bidders MUST submit an original and one (01) copy of bid documents as well as one (01) memory stick.
- d) Bidders who are listed in the National Treasury's List of Restricted Suppliers will be automatically disqualified.
- e) Bidders proposed team members must be registered with the South African Auditing professional body (preferably with the Institute of Internal Auditors but not limited to). Proof of registration is required.

9.2. PHASE 2 - TECHNICAL EVALUATION

Only proposals that meet the criteria set in the administrative compliance phase (Phase 1) will qualify for this phase. During this phase, proposals will be evaluated according to the defined criteria below:

Criteria	Rating	Weight	Total Score
1. Capacity of the Company		25	
The bidder must provide a profile indicating the years spent conducting audits in the following areas of interest: • Financial audits. • Compliance audits. • Operational audits. • Performance Review audits. • ICT audits. • Risk Management Review. • Corporate Governance Review. • Management of fraud hotline queries • Probity audits			

Quality assurance, such as a review of the competitive bidding process. <i>(N.B. These should take into consideration the company registration year and the outlined track-record of the company, and not the experience of individual team members).</i> As part of the proposal, bidders must include individual and/or firm standing with the respective professional body registered. 5 – 10 years or more 4 – 8 to 9 years 3 – 6 to 7 years 2 – 4 to 5 years 1 – 3 years or less			
2. Portfolio of Evidence		25	
A portfolio of evidence in the form of 5 reference letters for completed audits in the Public Sector, indicating the following details: - The client - Type of the project related to audit - Period of project - Value of project <i>N.B. Only reference letters for audit-related work will be counted.</i> 5 – 5 signed reference letters 4 – 4 signed reference letters 3 – 3 signed reference letters 2 – 2 signed reference letters 1 – 1 signed reference letters			
3. Qualifications and Experience of the Project Team		20	
The bidder is required to provide a structure of the team. Bidder to provide abridged CVs of the proposed project team members that will service MDB. The bidder should clearly stipulate the position of each team member according to the following roles: Partner 1: Engagement Director or Chief Audit Executive - Minimum 10 years of audit experience with a minimum of 5 years as a team leader or project manager. - Engagement directors must provide proof of valid registration.			

Partner 2: Engagement Director or Chief Audit Executive • Minimum 10 years of audit experience with a minimum of 5 years as a team leader or project manager. • Engagement directors must provide proof of valid registration with the auditing professional body. Project Team Leader or Audit Manager: • Minimum 5 years audit experience with a minimum of 3 years as a team leader or manager • Team leader or Manager must provide valid proof of registration with the auditing professional body. 5 – All team members fully compliant 4 – 1 team member not compliant 3 – 2 team members not compliant 2 – 3 team members defined, but all partly compliant 1 – All team members not compliant			
4. Proposal Rationale and Strategy		20	
The proposal in accordance with the Terms of Reference for the successful execution of activities, in particular regarding the objectives and expected results, thus demonstrating the degree of understanding of the following: • Scope of work. • Key issues related to the achievement of the contract objectives and expected results. • Outline of the approach proposed for the development of the audit strategy, client engagements and contract implementation. 5 – Excellent proposal rationale and strategy 4 – Very Good proposal rationale and strategy 3 – Good proposal rationale and strategy 2 – Average proposal rationale and strategy 1 – Poor proposal rationale and strategy			
5. Workplan and timeframes		10	
The bidder must provide timing, sequence and duration of the proposed tasks, which indicate the following: • The identification and timing of major milestones in executing the contract, including an indication of how the achievement of these milestones would			

be reflected in any reports, particularly those stipulated in the Terms of Reference. The methodologies contained in the offer should include a work plan indicating the envisaged resources to be mobilised. 5 – Excellent workplan 4 – Very Good workplan 3 – Good workplan 2 – Average workplan 1 – Poor workplan			
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- b) Only bidders who score 80% and above on functionality will be considered and evaluated further on Price and Broad Based Black Economic Empowerment contributor level (B-BBEE).

9.3. Phase 3: PRICE AND B-BBEE STATUS LEVEL CONTRIBUTION

- a) The bid will be awarded to the bidder who scored the highest points in terms of price and B-BBEE status level contribution. The evaluation criteria for this phase are as set below:

CRITERIA	WEIGHT
Project cost	80
B-BBEE Status level contributor	20

- b) Provision of the Preferential Procurement Policy Framework Act (PPPFA), Act 5 of 2000 and its Regulations of 2022 will apply in terms of awarding points.
- c) Preference Points Claim Form, SBD 6.1 should be completed and signed by the bidder to be able to complete BBBEE status level of contribution.
- d) Calculation of points for B-BBEE status level contributor:
- e) Points will be awarded to a bidder for attaining the B-BBEE status level of contributor in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (80/20 system)
------------------------------------	---------------------------------

1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

- f) Failure to submit a certificate from accredited verification agency substantiating the B-BBEE status level of contribution or is a non-compliant contributor, such bidder shall score 0 points out of the allocated maximum points for B-BBEE.

10. BRIEFING / INFORMATION SESSION

There shall be compulsory briefing/ information session for this bid, Failure to attend shall disqualify the bidder.

11. DOCUMENTS TO BE SUBMITTED WITH PROPOSAL

- 11.1. Company registration documents.
- 11.2. Company Profile.
- 11.3. Completed and signed SBD forms.
- 11.4. Proof of registration on Central Supplier Database.
- 11.5. Prescribed templates (Annexures A to D).

12. FORMAT AND SUBMISSION OF THE PROPOSAL

- 12.1. All the official forms (SBD) must be completed and signed in all respects by the bidder.
- 12.2. Bidders are kindly requested to submit an **ONE (1)** original and **1 (one)** copy as well as **1 memory stick** of their technical proposal.
- 12.3. An agreed Service Level Agreement will be drawn up by the MDB in consultation with the successful bidder.
- 12.4. The successful bidder will sign a confidentiality agreement regarding the protection of Board information.
- 12.5. The complete submission must be returned to:

Municipal Demarcation Board

Eco Origins Office Park C1, 349 Witch – Hazel Street, Highveld, Centurion

Attention: Supply Chain Management

13. DISCLAIMER

Whilst the MDB is issuing this Request for Proposals (RFP) in good faith, it reserves the right to cancel the selection process and reserves the right not to select or appoint any of the bidders to the RFP and is also not obliged to provide reasons for the rejection of any proposal or appoint a bidder not scoring the highest points on price and B-BBEE. The MDB further reserves the right to negotiate costs of services to be rendered and negotiate an acceptable solution.

14. BIDDERS NOTIFICATION

The SCM Unit will publish the outcomes of the tender process on all relevant tender information mediums.

15. CONTACT DETAILS

- 15.1.** For all related queries, please contact the Supply Chain Management Unit in writing Mr. Abel Maluleka abel@demarcation.org.za.
- 15.2.** Should you require any further information or clarity on the specifications please contact Mr. Comfort Bhila comfort@demarcation.org.za.
- 15.3.** Alternatively on 012-342 2481 between 08:00 to 16:00 Mondays to Fridays.
- 15.4.** For additional information visit the MDB website www.demarcation.org.za.

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:	MDB001-2025/2026	CLOSING DATE: 30 September 2025		CLOSING TIME:	11:00am
DESCRIPTION	APPOINTMENT OF A SERVICE PROVIDER FOR PROVISIONING OF INTERNAL AUDIT SERVICES FOR THE MUNICIPAL DEMARCATION BOARD FOR A PERIOD OF THIRTY-SIX (36) MONTHS				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
Eco Origins office Park Block C1					
349 Witch-Haze Avenue					
Highveld 0157					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	Abel Maluleka		CONTACT PERSON	Comfort Bhila	
TELEPHONE NUMBER	012 342 2481		TELEPHONE NUMBER	012 342 2481	
FACSIMILE NUMBER	N/A		FACSIMILE NUMBER	N/A	
E-MAIL ADDRESS	Abel@demarcation.org.za		E-MAIL ADDRESS	comfort@demarcation.org.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] ☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX] ☐ Yes ☐ No
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?		☐ Yes ☐ No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				☐ YES ☐ NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				☐ YES ☐ NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				☐ YES ☐ NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?				☐ YES ☐ NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?				☐ YES ☐ 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, 2022, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).
2. TAX COMPLIANCE REQUIREMENTS
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

NB: FAILURE TO PROVIDE / 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:

.....

TAX CLEARANCE CERTIFICATE REQUIREMENTS

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

- 1 In order to meet this requirement bidders are required to complete in full the attached form TCC 001 "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.
- 2 SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
- 3 The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.
- 4 In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.
- 5 Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website www.sars.gov.za.
- 6 Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website www.sars.gov.za.

PRICING SCHEDULE – FIRM PRICES (PURCHASES)

NOTE: ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED

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

Name of bidder.....	Bid number.....
Closing Time 11:00	Closing date.....

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

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY ** (ALL APPLICABLE TAXES INCLUDED)
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-
- Required by:
 - At:
.....
 - Brand and model
 - Country of origin
 - Does the offer comply with the specification(s)? *YES/NO
 - If not to specification, indicate deviation(s)
 - Period required for delivery
*Delivery: Firm/not firm
 - Delivery basis

Note: All delivery costs must be included in the bid price, for delivery at the prescribed destination.

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

*Delete if not applicable

PRICING SCHEDULE – NON-FIRM PRICES (PURCHASES)

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

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

Name of Bidder.....Bid number.....

Closing Time 11:00 Closing date.....

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

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

-	Required by:	.....	
-	At:	.....	
-	Brand and model	.....	
-			
-	Country of origin	.....	
-	Does the offer comply with the specification(s)?		*YES/NO
-	If not to specification, indicate deviation(s)	.....	
-	Period required for delivery	.....	
-	Delivery:		*Firm/not firm

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

*Delete if not applicable

A NON-FIRM PRICES SUBJECT TO ESCALATION

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

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

- | | | |
|-----------------------|-----------------------|-----------------------|
| Index..... Dated..... | Index..... Dated..... | Index..... Dated..... |
| Index..... Dated..... | Index..... Dated..... | Index..... Dated..... |

- [illegible]

B PRICES SUBJECT TO RATE OF EXCHANGE VARIATIONS

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

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

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

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

PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER:	BID NO.:
CLOSING TIME 11:00	CLOSING DATE.....

OFFER TO BE VALID FORDAYS 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	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 INCURRED	RATE	QUANTITY AMOUNT
	.....	.....	R.....
	.....	.....	R.....
	.....	.....	R.....
	.....	.....	R.....
		TOTAL: R.....	

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

Name of Bidder:

- 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 OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
.....			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 –

(INSERT NAME AND ADDRESS OF DEPARTMENT/ENTITY)

Tel:

Or for technical information –

(INSERT NAME OF CONTACT PERSON)

Tel:

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

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

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

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

2.2.1 If so, furnish particulars:

.....

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

2.3.1 If so, furnish particulars:

.....

3 DECLARATION

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

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

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

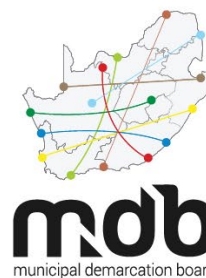
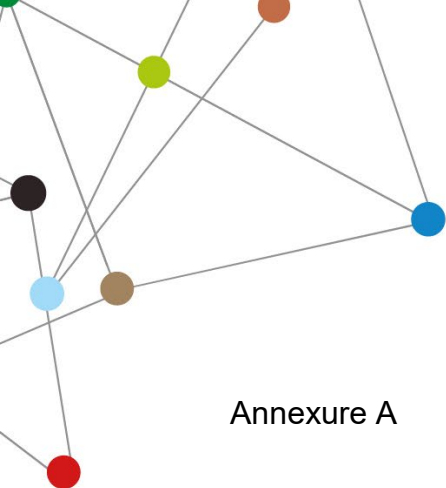
institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

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

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

.....	
Signature	Date
.....	
Position	Name of bidder



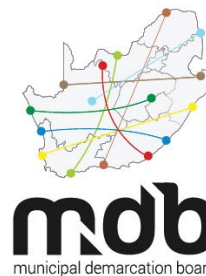
Annexure A

PRICING SCHEDULE

NAME OF BIDDER: _____

The accompanying information must be used for the calculation of average rate per hour and are merely for evaluation purposes of this tender. The hours are provided to ensure comparability of pricing.

Position	Annual number of hours	Hourly rate incl VAT	Total cost incl VAT
Director/Engagement Partner		R	R
Manager		R	R
Assistant Manager/Supervisor		R	R
Auditors		R	R
Average rate per hour Y1			R
Average rate per hour Y2			R
Average rate per hour Y3			R
TOTAL CONTRACT VALUE			R



NAME OF BIDDER:

[illegible]

ANNEXURE C

(TO BE COMPLETED BY THE CLIENT REFERENCE IN THEIR LETTERHEAD)

NAME OF THE BIDDER: _____

Name:			
Contact Person:			
Designation/ Position:			
Contact Details:			
E-mail address			
Telephone Number			
Cellular Number			
Work performed			
Description	Period		Hours
	From	To	
performance assessment of the bidder. Scores must also be assessed in terms of ratings below:			
1	Performance unacceptable		
2	Performance not fully effective		
3	Performance satisfactory		
4	Performance significantly above expectations		
5	Outstanding performance		
Function			Rating
• Internal Audit Services (Financial, operational and compliance reviews)			
• Review of quarterly and annual performance information			
• Computer/ ICT Audit			
• Conduct Strategic and Operational Risk Assessments			
• Review of Annual Financial Statements			
• Consultation Services (including pre-award tender reviews)			
Average rating;			

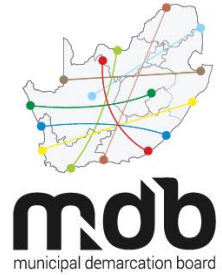
ANNEXURE C

[illegible]

(Required)

ORGANISATION STAMP OF CONTACTABLE CLIENT	

Annexure D



PROPOSED TEAM

NAME OF BIDDER: _____

Bidders must provide details of the full proposed team for the assignment and provide an organogram containing all the people to be used.

Details

Position	Name	Years of IA experience	Qualifications
Engagement Partner/Director			
Manager			
Assistant Manager/Supervisor			
Auditor			
Auditor			

Organogram

(Attach organogram below)

Annexure A

GOVERNMENT PROCUREMENT GENERAL CONDITIONS OF CONTRACT

NOTES

The purpose of this document is to:

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

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

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

TABLE OF CLAUSES

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

General Conditions of Contract

1. Definitions

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

Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

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

- | | |
|--|--|
| 2. Application | <p>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.</p> <p>2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.</p> <p>2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.</p> |
| 3. General | <p>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.</p> <p>3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za</p> |
| 4. Standards | <p>4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.</p> |
| 5. Use of contract documents and information; inspection. | <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> |
| 6. Patent rights | <p>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.</p> |
| 7. Performance security | <p>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.</p> |

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

8. Inspections, tests and analyses

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

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

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

9. Packing

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

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental services

- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
 - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
 - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
 - (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

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

14. Spare parts

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

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

15. Warranty

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

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

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

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

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

16. Payment	16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC. 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract. 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier. 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.
17. Prices	17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.
18. Contract amendments	18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.
19. Assignment	19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.
20. Subcontracts	20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.
21. Delays in the supplier's performance	21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract. 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract. 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority. 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

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

the intended penalty as not objected against and may impose it on the supplier.

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

25. Force Majeure

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security,

damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

**26. Termination
for insolvency**

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

**27. Settlement of
Disputes**

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

**28. Limitation of
liability**

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

		(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
29. Governing language	29.1	The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
30. Applicable law	30.1	The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
31. Notices	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 Programme (NIP)	33.1	The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.