

## PART A INVITATION TO BID

|                                                                                                                                                                                                                            |                                                                                                                                                     |               |                                                                   |                                                                |                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| <b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)</b>                                                                                                                           |                                                                                                                                                     |               |                                                                   |                                                                |                                                                                                      |
| BID NUMBER:                                                                                                                                                                                                                | NHC/01/01/2024                                                                                                                                      | CLOSING DATE: | 2024-01-30                                                        | CLOSING TIME:                                                  | 11:00am                                                                                              |
| DESCRIPTION                                                                                                                                                                                                                | INTERNAL AUDIT SERVICES FOR A PERIOD OF 36 MONTHS                                                                                                   |               |                                                                   |                                                                |                                                                                                      |
| <b>BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)</b>                                                                                                                                 |                                                                                                                                                     |               |                                                                   |                                                                |                                                                                                      |
| NATIONAL HERITAGE COUNCIL                                                                                                                                                                                                  |                                                                                                                                                     |               |                                                                   |                                                                |                                                                                                      |
| 1 <sup>ST</sup> FLOOR, 353 FESTIVAL STREET                                                                                                                                                                                 |                                                                                                                                                     |               |                                                                   |                                                                |                                                                                                      |
| HATFIELD                                                                                                                                                                                                                   |                                                                                                                                                     |               |                                                                   |                                                                |                                                                                                      |
| PRETORIA                                                                                                                                                                                                                   |                                                                                                                                                     |               |                                                                   |                                                                |                                                                                                      |
| <b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO</b>                                                                                                                                                                      |                                                                                                                                                     |               | <b>TECHNICAL ENQUIRIES MAY BE DIRECTED TO:</b>                    |                                                                |                                                                                                      |
| CONTACT PERSON                                                                                                                                                                                                             | Ms. Corné van Huyssteen                                                                                                                             |               | CONTACT PERSON                                                    | Ms. Mathabiso Chamane                                          |                                                                                                      |
| TELEPHONE NUMBER                                                                                                                                                                                                           | 012 748-3949                                                                                                                                        |               | TELEPHONE NUMBER                                                  | 012 748-3949                                                   |                                                                                                      |
| FACSIMILE NUMBER                                                                                                                                                                                                           |                                                                                                                                                     |               | FACSIMILE NUMBER                                                  |                                                                |                                                                                                      |
| E-MAIL ADDRESS                                                                                                                                                                                                             | <a href="mailto:c.vanhuysssteen@nhc.org.za">c.vanhuysssteen@nhc.org.za</a> or<br><a href="mailto:procurement@nhc.org.za">procurement@nhc.org.za</a> |               | E-MAIL ADDRESS                                                    | <a href="mailto:m.chamane@nhc.org.za">m.chamane@nhc.org.za</a> |                                                                                                      |
| <b>SUPPLIER INFORMATION</b>                                                                                                                                                                                                |                                                                                                                                                     |               |                                                                   |                                                                |                                                                                                      |
| NAME OF BIDDER                                                                                                                                                                                                             |                                                                                                                                                     |               |                                                                   |                                                                |                                                                                                      |
| POSTAL ADDRESS                                                                                                                                                                                                             |                                                                                                                                                     |               |                                                                   |                                                                |                                                                                                      |
| STREET ADDRESS                                                                                                                                                                                                             |                                                                                                                                                     |               |                                                                   |                                                                |                                                                                                      |
| TELEPHONE NUMBER                                                                                                                                                                                                           | CODE                                                                                                                                                |               | NUMBER                                                            |                                                                |                                                                                                      |
| CELL PHONE NUMBER                                                                                                                                                                                                          |                                                                                                                                                     |               |                                                                   |                                                                |                                                                                                      |
| FACSIMILE NUMBER                                                                                                                                                                                                           | CODE                                                                                                                                                |               | NUMBER                                                            |                                                                |                                                                                                      |
| E-MAIL ADDRESS                                                                                                                                                                                                             |                                                                                                                                                     |               |                                                                   |                                                                |                                                                                                      |
| VAT REGISTRATION NUMBER                                                                                                                                                                                                    |                                                                                                                                                     |               |                                                                   |                                                                |                                                                                                      |
| SUPPLIER COMPLIANCE STATUS                                                                                                                                                                                                 | TAX COMPLIANCE SYSTEM PIN:                                                                                                                          |               | OR                                                                | CENTRAL SUPPLIER DATABASE No:                                  | MAAA                                                                                                 |
| ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?                                                                                                                                     | <input type="checkbox"/> Yes <input type="checkbox"/> No<br>[IF YES ENCLOSE PROOF]                                                                  |               | ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED? |                                                                | <input type="checkbox"/> Yes <input type="checkbox"/> No<br>[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                                             |
| <b>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.</b> |                                                                                                                                                     |               |                                                                   |                                                                |                                                                                                      |

## PART B

### TERMS AND CONDITIONS FOR BIDDING

|                                       |                                                                                                                                                                                                                                     |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. BID SUBMISSION:</b>             |                                                                                                                                                                                                                                     |
| 1.1.                                  | BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.                                                                                                             |
| 1.2.                                  | <b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.</b>                                                                                              |
| 1.3.                                  | THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT. |
| 1.4.                                  | <b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</b>                                                                                                                                   |
| <b>2. TAX COMPLIANCE REQUIREMENTS</b> |                                                                                                                                                                                                                                     |
| 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: .....



**nhc**

**National Heritage Council**  
SOUTH AFRICA

**an agency of the**  
Department of Sport, Arts and Culture

## NATIONAL HERITAGE COUNCIL OF SOUTH AFRICA

### REQUEST FOR FORMAL BID

**BID NO: NHC/01/01/2024**

### INTERNAL AUDIT SERVICES FOR A PERIOD OF 36 MONTHS

Closing date: **30 January 2024**

Time: **11:00**

**Bidder's Name:** \_\_\_\_\_

**CSD Number:** **MAAA** \_\_\_\_\_

**Contact Person:** \_\_\_\_\_ - \_\_\_\_\_

**Email Address:** \_\_\_\_\_

**Contact Number:** \_\_\_\_\_

THE DETAILS AND CONTENTS OF THIS DOCUMENT ARE CONFIDENTIAL, FOR CONSIDERATION AND RESPONSE BY THE RECIPIENTS ONLY

## 1. OVERVIEW

The National Heritage Council of South Africa is a public entity that is responsible for the preservation of the country's heritage. The important areas that the NHC focuses on are policy development for the sector to meet its transformation goals, public awareness and education, knowledge production in heritage subjects that were previously neglected, as well as making funding available to projects that place heritage as a socio-economic resource.

The National Heritage Council (NHC) is a Schedule 3A public entity that came into existence through an amendment of the Cultural Laws Second Amendment Act, Act 69 of 2001, and was officially constituted through the National Heritage Council Act, Act 11 of 1999.

The NHC requires service providers to provide Internal Audit Services for a period of three (3) years, with the possibility of extension. The NHC does not guarantee exclusive procurement from the Internal Audit Services company nor any minimum order or quantity of services. The Internal Audit Services company is expected to win over market share through the quality of services rendered and competitive prices.

## 2. TENDER SUBMISSION

Completed and sealed tender submissions reflecting “**NHC/01/01/2024 and the name of the bidder**” must be submitted on the eTender portal at [www.etenders.gov.za](http://www.etenders.gov.za) or via email to [tenders@nhc.org.za](mailto:tenders@nhc.org.za). This email address is an unattended email used for submission of the bid proposals only. **No other online / electronic submission will be accepted.**

Enquiries may be directed via email, to: [c.vanhuyssteen@nhc.org.za](mailto:c.vanhuyssteen@nhc.org.za) and [procurement@nhc.org.za](mailto:procurement@nhc.org.za) with the heading “**Bid No NHC/01/01/2024 Internal Audit Services**” in the subject line and submitted on the eTender portal or via email as stated above not later than **30 January 2024 at 11:00am**. Failure to comply, may result in no response to bid enquiries.

## 3. LATE SUBMISSION

Tender documents submitted after the closing time and date, will not be considered. **No submissions sent by hand or facsimile will be accepted.** Bid proposals must reach the NHC by no later than:

|                                      |
|--------------------------------------|
| Closing date: <b>30 January 2024</b> |
| Closing time: <b>11:00am</b>         |

**Late bid proposals will not be accepted.**

## 4. COMPULSORY REQUIREMENTS

Bid proposals that does not comply with the following compulsory requirements will be regarded as a non-responsive Bid proposal:

- 4.1. Valid current Tax compliance status pin code for verification of tax compliance status with SARS;
- 4.2. Only suppliers registered on the Central Supplier Database (CSD) will be considered. Suppliers must include with their quotation/proposal their Master Registration number as proof of registration on CSD.

- 4.3. Completed and signed Standard Bidding Documents (SBD) forms included with the bid document.
- 4.4. Supporting documentation for technical responses.
- 4.5. Proof of registration with professional bodies.
- 4.6. Company Registration (CIPC) documentation with at least two (2) listed Directors as required.

## **5. LEGISLATIVE FRAMEWORK OF THE BID**

The following legislation, but not limited to, the following must be adhered to:

- 5.1. The Constitution of the Republic of South Africa;
- 5.2. Public Finance Management Act, 1999 (Act no 1 of 1999) as amended by Act 29 of 1999 (PFMA);
- 5.3. The Treasury Regulations (TR) issued in terms of the PFMA;
- 5.4. The Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing (ISPPA); and
- 5.5. The COSO framework on internal control, as well as the risk management framework.

## **6. COMPLIANCE WITH GENERAL CONDITIONS OF CONTRACT**

No alteration, variation or amendment of the Contract (of which this bid represents the offer) shall be permitted unless otherwise agreed to in writing. Should the prospective bidder, in the case of non-compliance, wish to make any amendments to the conditions stipulated by the NHC in this bid, which shall form the offer element of a Contract and if it is accepted by the NHC, then such proposed amendments shall be clearly stipulated by the prospective bidder and where possible, stating the increase or decrease in the cost involved by such proposals. The NHC reserves the right to reject such submissions.

**Misrepresentation of facts will result in disqualification and cancellation of the Contract.**

## **7. NATIONAL HERITAGE COUNCIL LIABILITY**

The NHC does not bind itself to accept the lowest or any bid proposal, nor to assign any reason for the rejection of a bid proposal, nor shall it be responsible for or pay expenses or losses that may be incurred by the prospective bidder in the preparation and delivery of its submission.

## **8. SUBMISSION ACCEPTANCE**

No submission shall be deemed to have been accepted, unless and until a formal appointment letter is issued to the successful bidder. Submissions shall remain open for acceptance by the NHC for a period of 90 (ninety) days from the date on which they are returnable in terms of this bid.

## **9. PRICES (To be included as the "Financial Proposal")**

Bidders shall indicate the basis on which the services will be charged. In this regard the following information shall be provided:

- 9.1. The bidder shall reflect service discounts that they will offer throughout the contract duration.
- 9.2. Bidders submissions must reflect the detailed breakdown of the bid price as per the pricing guide provided in the bid document.
- 9.3. Prices must include VAT, if it is applicable and all other costs related to the execution of the required services.
- 9.4. The Bidder agrees not to change the price with VAT or any other TAX subsequent to submitting the tender. This includes subsequent VAT registration.
- 9.5. All prices quoted are to be in South African Rand (ZAR) and inclusive of Value Added Tax (VAT).
- 9.6. This is a fixed price tender. No change in the prices submitted shall be considered after the closing date of the bid or after receipt of the response to the bid submission within the validity period of the bid.
- 9.7. Bidders shall ensure that the bid price is valid for the duration of the project.
- 9.8. The Bidders shall include with the "Financial Proposal" an implementation plan linked to the pricing as per the pricing guide. No services may be rendered without the acceptance of the implementation plan in order for a NHC purchase order to be issued. No services may be rendered without a purchase order.

## **10. TERMS OF ENGAGEMENT**

- 10.1. The successful bidder shall not take more than one (1) month from date of bid award unless otherwise indicated and agreed between the bidder and the NHC.
- 10.2. The bidder shall be available for consultation with the NHC representative.
- 10.3. The Bidder shall manage confidential all data, information and insights gained in execution of work for the NHC.
- 10.4. NHC retains the right to negotiate with the successful bidder for partial execution of the proposal.
- 10.5. NHC retains the right to enter into a non-exclusive agreement with bidders that do not restrict the procurement of goods and services from other service providers.
- 10.6. NHC retains the right to require the bidder to obtain permission in writing from the NHC prior to replacement of individuals proposed for execution of the bid.

## **11. CONTENTS OF THE SUBMISSION**

- 11.1. Proposals shall include all relevant information about the bidder, which is thought appropriate to assist the NHC to assess its capabilities, capacity, outputs, value adding abilities, competitive advantage, etc.
- 11.2. The proposals presented are to be comprehensive and should describe the methodology to be followed in doing the following:
  - 11.3.1 The breakdown of the complete terms of reference with associated cost. (Cost included as part of the "Financial proposal" envelope.

- 11.3.2 All Standard Bidding Documents (SBD) must be completed and signed.
- 11.3 The proposals presented are to be as comprehensive as possible and NHC reserves the right to request the Bidder to provide more details.
- 11.4 Bidders shall adhere to the conditions stipulated in the General Conditions of Contract as prescribed by the National Treasury.
- 11.5 Bidders must ensure that the complete bid document is submitted with all additional required information and any other documents that the bidder wishes to supply to substantiate or clarify specific aspects in the proposal.
- 11.6 **Failure to submit all the signed and completed Standard Bidding Documents and / or any required documentation will result in disqualification.**

## **12. APPROACH AND METHODOLOGY**

Bidders should propose a comprehensive approach and methodology regarding the Internal Audit Services. **Bidders should also indicate proactive goodwill services expected to be provided to the NHC.**

## **13. TRACK RECORD**

Bidders shall provide a list of companies for which Internal Audit Services have been rendered / provided for.

## **14. BROAD-BASED BLACK ECONOMIC EMPOWERMENT**

In terms of the Preferential Procurement Policy Framework Act (PPPFA), Act 5 of 2000, the 80 / 20 principle shall be applicable to this bid and points shall be allocated as indicated under functionality. Sound evidence for points claimed must be attached so that points can be allocated.

B-BBEE status points as per level of contribution will be awarded to bidders who will submit a certified copy of B-BBEE Certificates or original B-BBEE certificates from SANAS accredited agencies and IRBA registered auditors or B-BBEE letters from an auditor or accountant.

Joint Ventures / Consortium / Partnerships must submit a B-BBEE document as indicated above for that particular entity e.g. JV or Consortium otherwise no B-BBEE points shall be awarded.

**No B-BBEE points shall be awarded to a bidder who fails to comply with the above.**

## **15. AMPLIFICATION OF SUBMISSIONS**

The NHC may, after the opening of submissions, call on the prospective bidder to amplify in writing any matter which is not clear in the prospective bidder's submission and such amplification shall form part of the original submission. In the event of the prospective bidder failing to supply such information, the submission will be liable to rejection.

**16. COST OF PROPOSAL**

Bidders shall bear the cost associated with the preparation and submission of their proposals, the NHC will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bid.

**17. BID DOCUMENTS**

This document in its entirety serves as the complete bid document. Proposals offering only part of the requirements will be rejected. The bidder is expected to examine all corresponding instructions, forms, terms and specifications contained in this document. Failure to comply with these documents will be at the Bidder's risk and may affect the evaluation of their proposal.

**18. DOCUMENTS COMPRISING THE PROPOSAL**

In preparing the technical and price components of the submissions, all references to descriptive material and brochures should be included in the appropriate response paragraph, although material documents themselves may be provided as annexes to the proposal / response. Bidders are requested to focus on the provision of relevant information and to limit the amount of marketing and "boilerplate" material. The successful bidder's proposal may be incorporated in whole or in part in the final contract. Any information that the Bidder considers propriety should be marked as such.

**19. INFORMATION**

Information that the bidder considers propriety, if any, should be clearly marked "propriety" next to the relevant part of the text and it will be treated as such accordingly.

**20. PERIOD OF VALIDITY**

Proposals shall remain valid for hundred-and-twenty (120) days after the date of proposal submission. A proposal valid for a shorter period may be rejected by the NHC on the grounds that it is non-responsive.

In exceptional circumstances, the NHC may solicit the Bidder's consent to an extension of the period of validity. The request and the responses thereto shall be made in writing.

**21. FORMAT AND SIGNING OF PROPOSALS**

The Bidder shall prepare the proposal as appropriate, following the two-envelope system. The Financial proposal shall be separated from the Functional Proposal when submitting the documentation. The eTender portal makes provision for separate submission.

**22. INTERLINEATIONS**

A proposal shall contain no interlineations, erasures, or overwriting except, as necessary to correct errors made by the bidder, in which case such corrections shall be initiated by the person or persons signing the proposal.

**23. PAYMENTS**

The successful bidder shall be paid upon submission of an invoice for each transaction of satisfactory work detailed in the scope.

**24. DUE DILIGENCE EXERCISE**

The NHC reserves the right to perform due diligence exercise for the purpose of appointing a credible bidder.

**25. CANCELLATION OF THE BID**

The NHC reserves the right to cancel the bid at any time of the process should be recommended bidders fail to meet the requirements of the bid.

**26. SITE INSPECTION**

The NHC reserves the right to conduct a site inspection to the premises of the recommended bidder and/or the recommended bidder's clients at any given time.

**27. SUB-CONTRACTING / JOINT VENTURE BUSINESS**

Bidders must ensure that both / all bidders submit their tax compliant pin numbers, standard bidding documents and Central Supplier Database report.

The bid must be clear where it is submission by an individual company or Joint Venture or where sub-contracting is done. The agreements must be included and be specific to this bid document. The following, but not limited to, must be included:

- 27.1. Name of the companies in the Joint Venture
- 27.2. Tender number and tender description
- 27.3. Purpose of the agreement
- 27.4. Names and addresses of members
- 27.5. Roles and responsibilities / Duties and obligations in terms of this bid for each party
- 27.6. Percentage share of the work performed
- 27.7. Start and ending date of the joint agreement
- 27.8. Resources allocated to this project by each party
- 27.9. Voting and formal meeting requirements
- 27.10. Profit or loss allocation

**28. SIGNING OF THE SERVICE LEVEL AGREEMENT**

The successful bidder will be expected to sign the service level agreement within ten (10) working days after receiving the appointment letter from the NHC Supply Chain Management / Legal unit.

The NHC will then send the letter of award to the preferred bidder with two (2) copies of the completed version of the said contract specimen and the preferred bidder will be firmly obliged to duly sign, initial and properly date both copies of the same and return them to the NHC for its

signature within ten (10) working days of their receipt of the said documents, failing which the NHC will be entitled, in its sole and total discretion and without further notice to such preferred bidder to write to such preferred bidder, summarily withdrawing the tender award, due to such contract signing process delay on the part of the given preferred bidder.

## THE NATIONAL HERITAGE COUNCIL INVITES BIDDERS FOR THE PROVISION OF:

|                     |                                                   |
|---------------------|---------------------------------------------------|
| <b>Project Name</b> | Internal Audit Services for a period of 36 months |
|---------------------|---------------------------------------------------|

|                          |                |                         |                      |
|--------------------------|----------------|-------------------------|----------------------|
| <b>Bid No:</b>           | NHC/01/01/2024 | <b>Closing Date:</b>    | 2024-01-30 @ 11:00am |
| <b>Advertising date:</b> | 2024-01-16     | <b>Validity Period:</b> | 120 days             |

### 1. BACKGROUND

The National Heritage Council of South Africa (NHC) requires the service of a suitably qualified and experienced internal audit service providers to carry out the internal audit functions of the NHC and enter into a service level agreement for the period of thirty-six (36) months with an option to extend the contract.

### 2. SCOPE OF WORK: INTERNAL AUDIT SERVICES

The desired scope of work for internal audit services stems from the NHC's internal audit charter; a document that guides the organization's approach to the provision of internal audit services. The charter is periodically reviewed and approved by the Audit and Risk Committee (ARC). The charter, which is aligned to the requirements of the Institute of Internal Auditors (IIA), explains the purpose, mission and definition of internal audit which is outlined below – principles on which the scope of internal audit is built:

- 2.1. The purpose of internal audit (within the NHC) is aligned with the definition of internal audit, which is to provide independent, objective assurance and consulting services designed to add value and improve the organization's operations.
- 2.2. The mission of internal audit is to enhance and protect organizational value by providing risk-based assurance, advice and insight. This internal audit charter defines the authority and independence, scope, responsibility and accountability of and within the Internal Audit Activity (IAA).
- 2.3. Internal audit helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the adequacy and effectiveness of risk management, controls and governance processes.
- 2.4. Accordingly, the scope of internal audit work entails, but is not limited to, the examination, evaluation and conclusion on the adequacy and effectiveness of the organization's governance, risk management, internal control processes and the quality of performance in carrying out assigned responsibilities to achieve the organization's stated objectives.
- 2.5. The appointed internal audit service provider will be required to:
  - 2.5.1. Provide effective value adding internal audit services that are innovative and responsive to circumstances of the NHC and the environment it operates in.
  - 2.5.2. Develop and review a rolling three-year strategic Internal Audit Plan based on assessment of key areas of risk for the NHC, having regard to its current operations.

- 2.5.3. Assist in the improvement of operations proposed in the NHC's corporate or strategic plan and effectiveness of its risk management strategy through risk based audits which are in line with IIA standards;
- 2.5.4. Develop, review and the Implementation of an annual Internal Audit Plan including the following primary audits, but not limited to:
  - a) Audit of Pre-Determined Objectives / Performance information.
  - b) Living Heritage
  - c) Resistance, Liberation, Heritage and Route (RLHR)
  - d) Human Resource Management
  - e) Occupational Health and Safety
  - f) Grant Funding
  - g) Records Management
  - h) New Business development
  - i) Financial Management
  - j) Information and Communications Technology (ICT)
  - k) Supply Chain Management and Contract Management
  - l) Internal Financial Controls Review
  - m) Stakeholder Management
  - n) Governance and Risk Management
  - o) Review of the Annual Performance Plan
  - p) Financial Statements Reviews
  - q) Adhoc services as requested by Audit and Risk Committee or management of NHC which may include, but not limited to, Forensic auditing
- 2.6. The scope of internal audit work entails testing and evaluating the adequacy and effectiveness of the organization's systems of internal controls and to make recommendations where applicable. The controls subject to evaluation should encompass the following, but is not limited to:
  - 2.6.1. Review of the effectiveness and efficiency of the risk management process.
  - 2.6.2. Appraising the economy, effectiveness and efficiency with which resources are employed and identifying opportunities to improve operating performance.
  - 2.6.3. Review internal controls to ensure that financial reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information.
  - 2.6.4. Review the systems established by management to ensure compliance with policies, laws, regulations and controls that could have a significant impact on operations and determine whether the entity is in compliance with PFMA No 1 of 1999 and other relevant legislation that governs the entity.
  - 2.6.5. Ensure that the entity adheres to the corporate governance requirements as prescribed by the King IV report and all compliance standards.

- 2.6.6. Reviewing operations or programmes to ascertain whether the results are consistent with established objectives or goals and whether the operations or programs are carried out as planned.
- 2.6.7. Review a rolling three-year strategic and annual internal audit plan based on the results of the risk review and the execution of audits in accordance with these plans.
- 2.6.8. Transfer of Skills to the NHC internal audit function staff
- 2.6.9. The above-mentioned coordinated approach shall be used to maximize internal audit resourced and coverage and to ensure that the service provider provide greatest value to the NHC. Matters to be considered in reviewing the internal audit plans shall include:
  - i) Significant areas of potential risk of fraud;
  - ii) The accuracy and completeness of financial reporting;
  - iii) Major changes in operations, organizational structures, systems and controls;
  - iv) Safeguarding of assets;
  - v) Legal unit contract management and compliance.
  - vi) Compliance with laws, contracts, policies and procedures;
  - vii) Risk areas identified by management;
  - viii) Results of previous audits;
  - ix) Significant areas of risk related to reliability and integrity of financial and operational information or negative reputation exposure;
- 2.6.10. Liaise and cooperate with the external auditors (Auditor General of South Africa – the AGSA) to prevent duplication of work and share information.
- 2.6.11. Report on progress of the work against the approved Annual Internal Audit Plan to the Audit Committee
- 2.6.12. Review the Internal Audit Charter and make recommendations in order to be consistent with the Definition of Internal Audit, Internal Audit Code and Ethics.
- 2.6.13. Assist in the development and review of the Audit and Risk Committee Charter.
- 2.6.14. Perform ad hoc services requirements, as requested by Council or the Audit and Risk Committee.
- 2.6.15. Assist with the development and implementation of combined assurance.

2.7. Execution of audit assignments will be as follows:

- 2.7.1 Assignments are to be performed in accordance with the International Standards for the Professional Practice of Internal Auditing (Standards).
- 2.7.2 The execution of each assignment shall be in accordance with the approved three year rolling Internal Audit Plan and Annual Internal Audit Plan.
- 2.7.3 The appointed service provider is expected to maintain independence and objectivity at all times when engaging on any activities within the NHC.
- 2.7.4 Timely liaise with the management team during the execution and reporting on its activities.

2.8. Attending Audit and Risk Committee meetings

**3. EXPERTISE AND CAPACITY**

The key criteria to be considered for the suitability of the service provider include the following: -

- 3.1. Have the necessary skills, knowledge, capacity and resources to meet the needs of the NHC and to carry out their obligations, including the availability of:
  - 3.1.1. Forensic audit skills and tools.
  - 3.1.2. Information technology audit skills and tools.
  - 3.1.3. Information technology security capabilities.
  - 3.1.4. Risk management skills
- 3.2. Have knowledge and a comprehensive understanding of the public sector; and an understanding of the NHC's enabling legislations.
- 3.3. The service provider must be able to demonstrate the ability to reach all South African regions within which the NHC operates.
- 3.4. Have a minimum of two (2) directors including the engagement director. The engagement director must be directly involved in every engagement review undertaken at the NHC. As the engagement director will fill the role of the Chief Audit Executive ("CAE"), the bidder needs to cite experience that the proposed engagement director has in his role.
- 3.5. At least two (2) company directors must be registered on CIPC. NHC reserves the right to verify the registration.
- 3.6. Have a quality control department responsible for ensuring the IIA standards are appropriately applied. The quality assurance must be clearly stipulated and the person responsible for quality assurance, must be specified in the team.

- 3.7. Service providers are required to include the company profile with organizational structure in a flow chart, with an outline of the responsibilities of each department.
- 3.8. Demonstrate that they adhere to the IIA standards, particularly as they relate to:
  - 3.8.1. The application of a risk-based approach to auditing.
  - 3.8.2. The use of IT audit resources (including the appropriate tools).
  - 3.8.3. The availability of resources that perform risk management and governance reviews.
- 3.9. No subcontracting will be allowed.

#### **4. PROFESSIONAL MEMBERSHIP**

- 4.1. It is mandatory for the senior resources of the preferred service provider (i.e. directors, senior manager and specialists) to have the appropriate professional qualifications(s) enabling them to perform internal audit services. The minimum required membership to be considered is the Certified Internal Auditor (Certified by the Institute of Internal Auditors South Africa and must include, but is not limited, to the following:
  - 4.1.1. Chartered Accountant (SA) (Certified by the South African Institute of Chartered Accountants (SAICA));
  - 4.1.2. Certified Information Systems Auditor (Certified by ICASA);
  - 4.1.3. Certified Risk Management Practitioner (Certified by IRMSA)

All core members of the internal audit team belong to a professional body that regulates the services they offer. Proof of latest current IIA and any four of the listed registrations in 6.3.5 must be included with the bid proposal.

#### **5. EXPECTED OUTCOMES AND DELIVERABLES**

The service provider is expected to ensure that the following deliverables and outcomes are addressed in each assignment or project:

- 5.1. Expected deliverables
  - 5.1.1. Performing Audit assignments
    - a) Pre-audit survey
    - b) Audit planning memorandum
    - c) Minutes of entrance meeting
    - d) Risk assessment document
    - e) System descriptions

- f) Audit programmes
- g) Sampling methodology
- h) Mechanisms for follow-up on matters previously reported and feedback to the Audit and Risk Committee.
- i) Mechanism to ensure that working papers are reviewed at the appropriate level
- j) Record of work performed
- k) Audit findings and recommendations, and follow-up
- l) Reporting (draft and final internal audit reports); and
- m) Value Added services, skills transfer, quality review and succession planning.

#### 5.1.2. Reporting requirements

The structure of the report as a minimum is to be as follows:

- a) Introduction
- b) Audit objective and scope
- c) Background
- d) Executive summary highlighting significant findings; and
- e) Findings and management response (including recommendation implementation dates.

#### 5.2. Achievable Outcomes

5.2.1. Improved control environment with the NHC

5.2.2. Improved effective risk management; and

5.2.3. Improved governance processes.

### 6. EVALUATION CRITERIA

The two-stage bidding process will be followed. The Bidder is required to provide two separate envelopes, one for the functionality which includes the proposals as per phase 1 and 2 and the second envelope for the price and strategic goals as per phase 3. The evaluation of bid proposals will be done as per the following criteria:

#### 6.1. PHASE 1 – COMPULSORY REQUIREMENTS

Bidders will be evaluated according to compulsory and pre-qualification requirements which include submission of mandatory information and/or documentation. Bidders that fail to meet the pre-qualification requirements of the request will not be considered further for evaluation on technical requirements as per Phase 2.

Bidders are required to complete the table. Should the space be inadequate, bidders are required to copy the table and provide the information as an annexure and make reference in this table to the specific page. Failure to complete the table may result that the proposal be regarded as a non-responsive bid.

| No     | Compulsory requirement                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Comply<br>(Yes / No) | Comment /<br>Details to offer |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------------|
| 6.1.1. | <p>The bidder must be able to commit at least two (2) directors to the NHC, including the engagement director. The engagement director responsible for the NHC's internal audit must be based in the Gauteng province.</p> <p>In the event of a joint internal audit proposal, both service providers must have sufficient directors to meet the minimum of two (2) directors.</p>                                                                                                                 |                      |                               |
| 6.1.2. | At least two (2) company directors must be registered on CIPC. NHC reserves the right to verify the registration                                                                                                                                                                                                                                                                                                                                                                                   |                      |                               |
| 6.1.3. | The bidder must have at least 3 years' public sector internal audit experience. Bidders must be able to demonstrate the audits they have conducted and provide written references letters from the clients within the past five (5) years. References should attest to the provision of value-added services.                                                                                                                                                                                      |                      |                               |
| 6.1.4. | The bidder must indicate if they have rendered services to the NHC in the past two (2) years. This includes services through contract work allocations. If yes, the bidder must provide a letter that includes an assessment whether the services provided could impair the independence or objectivity of the bidder, in fact or appearance if any and indicate any mitigations applied thereof. This letter must be signed off by the Chief Executive Officer / Managing Director of the bidder. |                      |                               |
| 6.1.5. | The bidder must have a quality control department responsible for ensuring the IIA standards are appropriately applied. Organizational structure in a flow chart must be included with a brief on each unit.                                                                                                                                                                                                                                                                                       |                      |                               |
| 6.1.6. | The quality assurance must be clearly stipulated and the person responsible for quality assurance, must be specified in the team                                                                                                                                                                                                                                                                                                                                                                   |                      |                               |

| No     | Compulsory requirement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Comply (Yes / No) | Comment / Details to offer |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------------------|
| 6.1.7. | The bidder must have a resource plan that indicate the core team having the necessary skills, knowledge, capacity and resourced to meet the needs of the NHC (i.e. forensic audit skills and tools are well as the appropriate computer audit skills and tools). The resource plan must be included in the proposal.                                                                                                                                                                                                                                                 |                   |                            |
| 6.1.8. | Service providers shall include the CV's of professional staff of the <b><u>core management team proposed</u></b> for the engagement and the authorized representative submitting the proposal. Key information should include the position of the individual in the company, the role that the individual will have in the engagement of the audits, the number of years' experience, all tertiary and professional qualifications, professional memberships, experience, and degree of responsibility held in various assignments during the last three (3) years. |                   |                            |

**Compulsory documentation that must be submitted with the bid proposal. Non-submission of the documents will result in disqualification**

| No     |                                                                                                                          | Compulsory | Comment                                                                                                                                                                                                                                                                                                                 |
|--------|--------------------------------------------------------------------------------------------------------------------------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6.1.9. | Bidders are required to submit the following documentation as part of the pre-qualification and compulsory requirements: |            |                                                                                                                                                                                                                                                                                                                         |
|        | a) Invitation to Bid – SBD 1                                                                                             | Yes        | Complete and sign the supplied document                                                                                                                                                                                                                                                                                 |
|        | b) Pricing Schedule – SBD 3.3                                                                                            | Yes        | Complete and sign the supplied document                                                                                                                                                                                                                                                                                 |
|        | c) Declaration of Interest - SBD 4                                                                                       | Yes        | Complete and sign the supplied document                                                                                                                                                                                                                                                                                 |
|        | d) Preference Point Claim Form – SBD 6.1                                                                                 | No         | Non-submission or failure to claim points will lead to a zero (0) score on preference points                                                                                                                                                                                                                            |
|        | e) Registration on Central Supplier Database (SBD)                                                                       | No         | The bidder must be registered as a service provider on the Central Supplier Database (CSD). If the bidder is not registered, proceed to complete the registration on the company prior to submitting the proposal. Visit <a href="https://secure.csd.gov.za">https://secure.csd.gov.za</a> to obtain the vendor number. |

| No |                                   | Compulsory | Comment                                                                                                         |
|----|-----------------------------------|------------|-----------------------------------------------------------------------------------------------------------------|
|    |                                   |            | Proof of registration must be submitted.                                                                        |
|    | f) General conditions of Contract | Yes        | Bidder must initial each page and sign on the last page                                                         |
|    | g) B-BBBEE certificate            | No         | Bidders who fail to include the document will score zero (0) on B-BBBEE as per the preference points stipulated |

## 6.2. PHASE 2 – FUNCTIONALITY CRITERIA

The minimum qualification score for functionality / technical evaluation is 70%. All bids that fail to achieve the minimum qualification score on functionality shall not be considered for further evaluation on Price and strategic goals.

NB: The NHC reserves the right to invite shortlisted bidders to give a presentation on their service offering.

| No            | Functional / Technical Evaluation criteria                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Weighted score | Points Allocated |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------------------|
| <b>6.3.1.</b> | <b>Internal Audit approach</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>10</b>      |                  |
|               | <p>The bidder's approach to perform an internal audit, including audit methodology and Quality Assurance processes.</p> <p>Signed letter of undertaking from the bidder to confirm that the bidder adopts a quality assurance improvement programme as per the International Audit Standards for the Professional Practice of Internal Auditing. The methodology to include the following reporting templates used to communicate</p> <ul style="list-style-type: none"> <li>- Results of individual assurance and consulting engagements.</li> <li>- Quarterly report to Management and the Audit and Risk Committee;</li> <li>- Annual assessment of governance, risk management and control processes; and</li> <li>- Quarterly report of the Audit and Risk Committee to the board</li> </ul> |                |                  |
|               | <ul style="list-style-type: none"> <li>- The quality assurance improvement programme meet the requirements of the International Audit Standards for the Professional Practice of Internal Auditing and bidder has included the reporting templates as indicated in the above description</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                | <b>10</b>        |
|               | <ul style="list-style-type: none"> <li>- The quality assurance improvement programme meet the requirements of the International Audit Standards for the Professional Practice of Internal Auditing and bidder has included less than four (4) of the reporting templates as indicated in the above description</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                | <b>5</b>         |

| No            | Functional / Technical Evaluation criteria                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Weighted score | Points Allocated |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------------------|
|               | - Not meeting the IIA standards                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                | 0                |
| <b>6.3.2.</b> | <b>Internal Audit experience</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>20</b>      |                  |
|               | <p>The bidders internal audit services experience in the public sector, including specialized skills, expertise, and value-added services.</p> <p>To demonstrate knowledge and experience, the bidder must submit a minimum of three (3) client references where the bidder has successfully concluded internal audit work within the public sector in terms of scope and complexity in the past five (5) years.</p> <p>The reference letters must signed, clearly specify the date and scope of work conducted and be on the letterhead of the company for which the work was done.</p> |                |                  |
|               | - At least three (3) or more three (3) written references                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                | 20               |
|               | - Two (2)) written client references                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                | 10               |
|               | - One (1) written client references                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                | 5                |
|               | - None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                | 0                |
| <b>6.3.3.</b> | <b>The qualification and experience of the professionals proposed to provide the services</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>20</b>      |                  |
|               | <p>Assessment of the condensed CVs of personnel who will be assigned to the NHC's account. (Qualification and experiences of proposed resources)</p> <p>For the proposed team, a detailed CV for each of the human resources allocated to the NHC must be attached to the bidder's proposal. Failure to submit the detailed CV will result in no points being allocated. Points will be allocated based on the joint experience. The professional proposed must have at least 80 years' joint experience in public sector</p>                                                            |                |                  |
|               | - The professionals proposed have jointly at least 80 years' experience in public sector internal audits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                | 20               |
|               | - The professionals proposed have jointly at least 60 years' experience in public sector internal audits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                | 16               |
|               | - The professionals proposed have jointly at least 40 years' experience in public sector internal audits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                | 12               |
|               | - The professionals proposed have jointly at least 20 years' experience in public sector internal audits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                | 8                |

| No            | Functional / Technical Evaluation criteria                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Weighted score | Points Allocated |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------------------|
|               | - The professionals proposed have jointly less than 10 years' experience in public sector internal audits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                | 4                |
| <b>6.3.4.</b> | <b>Internal audit objectives, scope of work and capacity of the bidder</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>30</b>      |                  |
|               | <p>A detailed comprehensive proposed three-year plan of action with achievable milestones to achieve the objectives of the internal audit. This plan should cover short, medium and long-term objectives.</p> <p>The bidder must submit a resource plan, including the structure of the core teams to be committed to the NHC; as well as demonstrate that they have the appropriate resources and tools to execute the plan.</p> <p>Points will be allocated based on the information provided in the project which must address the scope of work as indicated, including timeframes, achievable milestones and value added services.</p> |                |                  |
|               | - A detailed comprehensive proposed three-year plan with clearly defined achievable milestones, with value-added services incorporated                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                | 30               |
|               | - A detailed comprehensive proposed three-year plan of action failing to address one aspect of the requirements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                | 25               |
|               | - A proposed three-year plan of action that fails to meet the requirements or not addressing the needs of the NHC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                | 0                |
| <b>6.3.5.</b> | <b>Professional membership</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>10</b>      |                  |
|               | <p>The bidder and its Directors must submit evidence of its and their registration with a relevant professional body (latest proof of current registrations as indicated in point 4).</p> <p>The professional membership will be scored based on the number of professional memberships which must include, at least, the IIA.</p>                                                                                                                                                                                                                                                                                                          |                |                  |
|               | - The IIA, ISACA, SAICA, IRBA, IRMSA and ACCA including relevant internal audit experience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                | 10               |
|               | - IIA plus 4 professional bodies with relevant internal audit experience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                | 8                |
|               | - IIA plus 3, with relevant internal audit experience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                | 6                |
|               | - Other recognized professional membership with relevant internal audit experience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                | 2                |
| <b>6.3.6.</b> | <b>Geographic reach of the service provider</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>10</b>      |                  |

| No | Functional / Technical Evaluation criteria                                                                                                                                                                                                                                                                             | Weighted score | Points Allocated |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------------------|
|    | The bidder must demonstrate by providing work methodology plan that will be used to service the NHC.<br><br>The work methodology plan demonstrate that the bidder has the required resources, skills, capabilities, effective well-practiced project management process and technology capabilities to audit remotely. |                |                  |
|    | - The work methodology plan demonstrate that the bidder has the required resources, skills, capabilities and effective well-practiced project management process to audit remotely at least 90% of the functions                                                                                                       |                | 10               |
|    | - The work methodology plan demonstrate that the bidder has the required resources, skills, capabilities and effective well-practiced project management process to audit remotely at least 70% of the functions                                                                                                       |                | 8                |
|    | - The work methodology plan demonstrate that the bidder has the required resources, skills, capabilities and effective well-practiced project management process to audit remotely at least 50% of the functions                                                                                                       |                | 6                |
|    | - Work method plan demonstrate that the bidder has no practiced project management process and no technology capabilities to audit remotely                                                                                                                                                                            |                | 1                |
|    | <b>Total</b>                                                                                                                                                                                                                                                                                                           | <b>100</b>     |                  |

Bidders who fail to obtain a minimum score of 70% on functionality will not be considered for further evaluation of price and preference points. 2022.

### 6.3. PHASE 3 – EVALUATION ON PRICE AND PREFERENCE POINTS AS PER THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

All quotations will be evaluated based on compliance with compulsory requirements, compliance with specifications / Terms of Reference and the 80/20 preference point system prescribed by the Preferential Procurement Policy Framework Act 5 of 2000 and its Regulations. The lowest acceptable price will score 80 points; the 20 points according to the specific goals will be allocated as follows:

| No            | Price and Strategic Goals Evaluation Criteria                                                                                                                                                                                                                                                           | Weight | Points allocated |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|------------------|
| <b>6.4.1.</b> | <b>Price</b>                                                                                                                                                                                                                                                                                            |        |                  |
|               | Bidders must submit a comprehensive and detailed line-item (VAT inclusive) budget, as well as proposed hours and rates of personnel involved with reference to different levels of proposed resources to be utilized and an estimate of the recoverable expenses. (Pricing guide in 9.4 is applicable). |        | <b>80</b>        |
| <b>6.4.2.</b> | <b>Preference points</b>                                                                                                                                                                                                                                                                                |        | <b>20</b>        |

| No | Price and Strategic Goals Evaluation Criteria                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Weight | Points allocated |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|------------------|
|    | <p>The promotion of entities that are B-BBEE compliant. Points will be allocated as follows:</p> <ul style="list-style-type: none"> <li>- Level 1 B-BBEE level of Contribution – 5 points</li> <li>- Level 2 B-BBEE level of Contribution– 4 points</li> <li>- Level 3 B-BBEE level of Contribution – 3 points</li> <li>- Level 4 B-BBEE level of Contribution – 2 points</li> <li>- Level 5 to 8 B-BBEE level of Contribution – 1 point</li> <li>- Level 9 – non-contributor - 0 points</li> </ul> <p>Only bidders that submit a valid current certified copy of the B-BBEE Certificate or original B-BBEE certificate issued by the verification agency accredited by SANAS or Sworn Affidavit signed by the EME representative and attested by a Commissioner of Oaths i.r.o (EMEs), will be considered for scoring.</p> | 5      |                  |
|    | The promotion of SMME's                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 5      |                  |
|    | <p>The promotion of woman owned enterprises</p> <ul style="list-style-type: none"> <li>- 100% women owned – 5 points</li> <li>- 50% – 99% women owned – 2.5 points</li> <li>- 1% - 49% women owned - 1 point</li> <li>- Not women owned – 0 points</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 5      |                  |
|    | <p>The promotion of youth owned enterprises</p> <ul style="list-style-type: none"> <li>- 100% youth owned – 5 points</li> <li>- 50% – 99% youth owned – 2.5 points</li> <li>- 1% - 49% youth owned - 1 point</li> <li>- Not youth owned – 0 points</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 5      |                  |
|    | <b>Total achievable score</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |        | <b>100</b>       |

The formula for the calculation on the price and strategic goals as per the 80/20 principle will be performed as per the following formula:

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

The bidder who complies with all the requirements and scored the highest points, will be considered for appointment.

## 7. BROAD-BASED BLACK ECONOMIC EMPOWERMENT

- 7.1. Broad-Based Black Economic Empowerment refers to the Broad-Based Black Economic Empowerment Act, 2003 (Act no. 53 of 2003) and the Codes of Good Practice issued by the Department of Trade and Industry.

NB: Original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a verification agency accredited by the South African National Accreditation System ("SANAS"). In the case of Exempt Micro Enterprises (EMEs) and Qualifying Small Enterprises (QSEs), an affidavit is to be submitted.

7.2. In the event of a Joint Venture or Consortium(s) / primary bidder, the following requirements will apply:

7.2.1. Bidders who wish to respond to this bid as a Joint Venture (JV) or consortium with strategic goals entities / primary bidder with a subcontractor must state their intention to do so in their tender submission. Such bidders must also submit a signed JV / consortium / subcontracting agreement between the parties clearly stating the percentage (5) split of business (Internal audit fee and work) and the associated responsibilities of each party.

7.2.2. If such a JV or consortium is unavailable, the directors must submit confirmation in writing of their intention to enter into a JV / consortium / subcontracting agreement should they be awarded business by NHC through this tender process. This written confirmation must clearly indicate the percentage (%) split of business (internal audit fee and work) and the responsibilities of each party. In such cases, before contracting, a signed copy of a JV / consortium must be submitted to NHC.

7.2.3. A consortium or joint venture must submit a valid consolidated strategic goals status level verification certificate.

## **8. PRICING**

8.1. Service Providers shall be required to submit pricing for a period of 36 months. The Proposed fee structure must be based on the following:

- Total hours for the duration of the contract (36 months)
- Average hourly rate
- Reimbursement costs such as telephone, travel, stationery, and printing

8.2. All prices will be fixed and in South African Rand. Provision shall be made for any price escalations during this period and no alterations or amendments will be accepted after closure of the bid.

8.3. Service providers shall submit a detailed quotation. Failure to submit a detailed quotation will result in the proposal to be considered as a non-responsive quotation.

8.4. The service provider is required to duplicate this table on their company letterhead and submit a quotation accordingly.

8.5. The NHC reserves the right to transfer hours per area that were not utilized to another area and/or to year 2 and year 3 with no additional cost implications to the NHC.

8.6. The quotation must make provision for the following estimates on the company letterhead or be included in the proposal:

| No    | Description                                                | Year 1          |                          |                  | Year 2          |                          |                  | Year 3          |                          |                  |
|-------|------------------------------------------------------------|-----------------|--------------------------|------------------|-----------------|--------------------------|------------------|-----------------|--------------------------|------------------|
|       |                                                            | Estimated hours | Rate per hour (Excl VAT) | Total (Excl VAT) | Estimated hours | Rate per hour (Excl VAT) | Total (Excl VAT) | Estimated hours | Rate per hour (Excl VAT) | Total (Excl VAT) |
| i)    | Audit of Pre-Determined Objectives/Performance information |                 |                          |                  |                 |                          |                  |                 |                          |                  |
| ii)   | Living Heritage                                            |                 |                          |                  |                 |                          |                  |                 |                          |                  |
| iii)  | Resistance, Liberation, Heritage and Route (R & LHR)       |                 |                          |                  |                 |                          |                  |                 |                          |                  |
| iv)   | Human Resource Management                                  |                 |                          |                  |                 |                          |                  |                 |                          |                  |
| v)    | Occupational Health and Safety                             |                 |                          |                  |                 |                          |                  |                 |                          |                  |
| vi)   | Information and Communications Technology (ICT)            |                 |                          |                  |                 |                          |                  |                 |                          |                  |
| vii)  | Grant Funding                                              |                 |                          |                  |                 |                          |                  |                 |                          |                  |
| viii) | Records Management                                         |                 |                          |                  |                 |                          |                  |                 |                          |                  |
| ix)   | New Business development                                   |                 |                          |                  |                 |                          |                  |                 |                          |                  |
| x)    | Supply Chain Management                                    |                 |                          |                  |                 |                          |                  |                 |                          |                  |
| xi)   | Contract Management                                        |                 |                          |                  |                 |                          |                  |                 |                          |                  |
| xii)  | Internal Financial Controls Review                         |                 |                          |                  |                 |                          |                  |                 |                          |                  |
| xiii) | Financial Management                                       |                 |                          |                  |                 |                          |                  |                 |                          |                  |
| xiv)  | Stakeholder Management                                     |                 |                          |                  |                 |                          |                  |                 |                          |                  |
| xv)   | Review of financial statements                             |                 |                          |                  |                 |                          |                  |                 |                          |                  |

| No     | Description                                                                                                                                      | Year 1          |                          |                  | Year 2          |                          |                  | Year 3          |                          |                  |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------|------------------|-----------------|--------------------------|------------------|-----------------|--------------------------|------------------|
|        |                                                                                                                                                  | Estimated hours | Rate per hour (Excl VAT) | Total (Excl VAT) | Estimated hours | Rate per hour (Excl VAT) | Total (Excl VAT) | Estimated hours | Rate per hour (Excl VAT) | Total (Excl VAT) |
| xvi)   | Legal Services                                                                                                                                   |                 |                          |                  |                 |                          |                  |                 |                          |                  |
| xvii)  | Review of Internal Audit Charters                                                                                                                |                 |                          |                  |                 |                          |                  |                 |                          |                  |
| xviii) | Development of a 3-year rolling audit plan                                                                                                       |                 |                          |                  |                 |                          |                  |                 |                          |                  |
| xix)   | Annual plan                                                                                                                                      |                 |                          |                  |                 |                          |                  |                 |                          |                  |
| xx)    | Risk assessment                                                                                                                                  |                 |                          |                  |                 |                          |                  |                 |                          |                  |
| xxi)   | Business continuity                                                                                                                              |                 |                          |                  |                 |                          |                  |                 |                          |                  |
| xxii)  | Governance and Risk Management                                                                                                                   |                 |                          |                  |                 |                          |                  |                 |                          |                  |
| xxiii) | Review of the Annual Performance Plan                                                                                                            |                 |                          |                  |                 |                          |                  |                 |                          |                  |
| xxiv)  | Adhoc services as requested by Audit Committee                                                                                                   |                 |                          |                  |                 |                          |                  |                 |                          |                  |
| xxv)   | Investigation report on Irregular expenditure, Fruitless and Wasteful Expenditure and any other non-compliance that resulted into financial loss |                 |                          |                  |                 |                          |                  |                 |                          |                  |
|        | <b>Sub-Total</b>                                                                                                                                 |                 |                          |                  |                 |                          |                  |                 |                          |                  |
|        | Disbursements                                                                                                                                    |                 |                          |                  |                 |                          |                  |                 |                          |                  |
|        | <b>VAT @ 15% (If VAT registered)</b>                                                                                                             |                 |                          |                  |                 |                          |                  |                 |                          |                  |
|        | <b>Total bid offer for a period of 36 months</b>                                                                                                 |                 |                          |                  |                 |                          |                  |                 |                          |                  |

**IMPORTANT:**

Bidders that failed to submit the proposal as per the provided table, will not be considered and the bid offer will be regarded as a non-responsive bid.

- 8.7. The estimated hours must be indicated and the applicable cost.
- 8.8. The NHC will only pay for actual hours worked.
- 8.9. The successful supplier will be required to work at the NHC offices as per the official working hours of the NHC.
- 8.10. At least two (2) auditors must be on site.

**9. SERVICE LEVEL AGREEMENT**

The successful service provider will be required to sign a service level agreement for the duration of the contract. No service may be rendered unless an official purchase order was issued and Service Legal Agreement has been signed.

# **STANDARD BIDDING DOCUMENTS AND GENERAL CONDITIONS OF CONTRACT**

**PRICING SCHEDULE**  
(Professional Services)

|                       |                                 |
|-----------------------|---------------------------------|
| NAME OF BIDDER: ..... | BID NO.: <b>NHC/01/01/2024</b>  |
| CLOSING TIME 11:00am  | CLOSING DATE: <b>2024-01-30</b> |

OFFER TO BE VALID FOR 90 DAYS FROM THE CLOSING DATE OF BID.

| ITEM NO | DESCRIPTION                                                                                                                                                                                   | BID PRICE IN RSA CURRENCY<br>**(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 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 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 –

**NATIONAL HERITAGE COUNCIL OF SOUTH AFRICA**

Tel: 012-748-3949

Or for technical information –

Ms. Mathadiso Chamane

E-mail: [m.chamane@nhc.org.za](mailto:m.chamane@nhc.org.za) cc [procurement@nhc.org.za](mailto:procurement@nhc.org.za)

## 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 State institution |
|-----------|-----------------|---------------------------|
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |

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

2.2.1 If so, furnish particulars:

.....  
.....

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

<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.

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:

- 1.1 I have read and I understand the contents of this disclosure;
- 1.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 1.3 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.
- 1.4 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.
- 1.5 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.
- 1.6 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.
- 1.7 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 |

<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.

**This document must be signed and submitted together with your bid**

## **THE NATIONAL INDUSTRIAL PARTICIPATION PROGRAMME**

### **INTRODUCTION**

The National Industrial Participation (NIP) Programme, which is applicable to all government procurement contracts that have an imported content, became effective on the 1 September 1996. The NIP policy and guidelines were fully endorsed by Cabinet on 30 April 1997. In terms of the Cabinet decision, all state and parastatal purchases / lease contracts (for goods, works or services) entered into after this date, are subject to the NIP requirements. NIP is obligatory and therefore must be complied with. The Industrial Participation Secretariat (IPS) of the Department of Trade and Industry (DTI) is charged with the responsibility of administering the programme.

### **1. PILLARS OF THE PROGRAMME**

- 1.1. The NIP obligation is benchmarked on the imported content of the contract. Any contract having an imported content equal to or exceeding US\$ 10 million or other currency equivalent to US\$ 10 million will have a NIP obligation. The threshold of US\$ 10 million can be reached as follows:
  - (a) Any single contract with imported content exceeding US\$ 10 million.  
or
  - (b) Multiple contracts for the same goods, works or services each with imported content exceeding US\$ 3 million awarded to one seller over a 2-year period which in total exceeds US\$ 10 million.  
or
  - (c) A contract with a renewable option clause, where should the option be exercised the total value of the imported content will exceed US\$ 10 million.  
or
  - (d) Multiple suppliers of the goods, works or services under the same contract, where the value of the imported content of each allocation is equal to or exceeds US\$ 3 million worth of goods, works or services to be the same government institution, which in total over two (2) year period exceeds US\$ 10 million.
- 1.2. The NIP obligation applicable to suppliers in respect of sub-paragraphs 1.1 (a) to 1.1 (c) above will amount to 30% of the imported content whilst suppliers in respect of paragraph 1.1 (d) shall incur 30% of the total NIP obligation on a pro-rata basis.
- 1.3. To satisfy the NIP obligation, the DTI would negotiate and conclude agreements such as investments, joint ventures, sub-contracting, licensee production, export promotion, sourcing arrangements and research and development (R&D) with partners or suppliers.

- 1.4. A period of seven years has been identified at the time frame within which to discharge the obligation.

## **2. REQUIREMENTS OF THE DEPARTMENT OF TRADE AND INDUSTRY**

- 2.1 In order to ensure effective implementation of the programme, successful bidders (contractors) are required to, immediately after the award of a contract that is in excess of **R 10 million** (ten million Rands), submit details of such a contract to the DTI for reporting purposes.
- 2.2 The purpose for reporting details of contracts in excess of the amount of R 10 million (ten million Rands) is to cater for multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as provided for in paragraphs 1.1 (b) to 1.1 (d) above.

## **3. BID SUBMISSION AND CONTRACT REPORTING REQUIREMENTS OF BIDDERS AND SUCCESSFUL BIDDERS (CONTRACTORS)**

- 3.1. Bidders are required to sign and submit this Standard Bidding Document (SBD 5) together with the bid on the closing date and time.
- 3.2. In order to accommodate multiple contracts for the same goods, works or services, renewable contracts and multiple suppliers for the same goods, works or services under the same contract as indicated in sub-paragraphs 1.1 (b) to 1.1 (d) above and to enable the DTI in determining the NIP obligation, successful bidders (contractors) are required, immediately after being officially notified about any successful bid with a value in excess of R 10 million (ten million Rands), to contact and furnish the DTI with the following information:
- Bid / contract number
  - Description of the goods, works or services
  - Date on which the contract was accepted
  - Name, address and contact details of the government institution
  - Value of the contract
  - Imported content of the contract, if possible.
- 3.3. The information required in paragraph 3.2 above must be sent to the Department of Trade and Industry, Private Bag X 84, Pretoria, 0001 for the attention of Mr. Elias Malapane within five (5) working days after award of the contract. Mr. Malapane may be contacted on telephone (012) 394-1401, facsimile (012) 394-2401 or email at [Elias@thedti.gov.za](mailto:Elias@thedti.gov.za) for further details about the programme.

## **4. PROCESS TO SATISFY THE NIP OBLIGATION**

- 4.1. Once the successful bidder (contractor) has made contact with and furnished the DTI with the information required, the following steps will be followed:
- a. The contractor and the DTI will determine the NIP obligation;

- b. The contractor and the DTI will sign the NIP obligation agreement;
  - c. The contractor will submit a performance guarantee to the DTI;
  - d. The contractor will submit a business concept for consideration and approval by the DTI;
  - e. Upon approval of the business concept by the DTI, the contractor will submit detailed business plans outlining the business concepts;
  - f. The contractor will implement the business plans; and
  - g. The contractor will submit bi-annual progress reports on approved plans to the DTI.
- 4.2. The NIP obligation agreement is between the DTI and the successful bidder (contractor) and, therefore, does not involve the purchasing institution.

|                                         |                                 |
|-----------------------------------------|---------------------------------|
| Bid Number: <b>NHC/01/01/2024</b>       | Closing date: <b>2023-10-02</b> |
| Name of Bidder: _____                   |                                 |
| Postal address: _____<br>_____          |                                 |
| Signature: _____ Name (in print): _____ |                                 |
| Date: _____                             |                                 |

## PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

**NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022**

### 1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

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

1.2 **To be completed by the organ of state**

*(delete whichever is not applicable for this tender).*

a) The applicable preference point system for this tender is the **80/20** preference point system.

b) The **80/20 preference point system** will be applicable in this tender. The lowest / highest acceptable tender will be used to determine the accurate system once tenders are received.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

- (a) Price; and
- (b) Specific Goals.

1.4 **To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

|                                                  | POINTS     |
|--------------------------------------------------|------------|
| PRICE                                            | 80         |
| SPECIFIC GOALS                                   | 20         |
| <b>Total points for Price and SPECIFIC GOALS</b> | <b>100</b> |

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

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

## 2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

## 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### 3.1. POINTS AWARDED FOR PRICE

#### 3.1.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

A maximum of 80 or 90 points is allocated for price on the following basis:

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

### 3.2. FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

#### 3.2.1. POINTS AWARDED FOR PRICE

A maximum of 80 or 90 points is allocated for price on the following basis:

$$\begin{array}{ccc}
 \mathbf{80/20} & \mathbf{or} & \mathbf{90/10}
 \end{array}$$

$$Ps = 80 \left( 1 + \frac{Pt - P_{max}}{P_{max}} \right) \quad \text{or} \quad Ps = 90 \left( 1 + \frac{Pt - P_{max}}{P_{max}} \right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmax = Price of highest acceptable tender

#### 4. POINTS AWARDED FOR SPECIFIC GOALS

4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

(a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or

(b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

**Table 1: Specific goals for the tender and points claimed are indicated per the table below.**

**(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.)**

**Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)**

| The specific goals allocated points in terms of this tender | Number of points allocated (80/20 system) (To be completed by the organ of state) | Number of points claimed (80/20 system) (To be completed by the tenderer) |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| B-BBEE level of contribution                                | 5                                                                                 |                                                                           |
| - Level 1 – 5 points                                        |                                                                                   |                                                                           |
| - Level 2 – 4 points                                        |                                                                                   |                                                                           |
| - Level 3 – 3 points                                        |                                                                                   |                                                                           |
| - Level 4 – 2 points                                        |                                                                                   |                                                                           |
| - Level 5 to 8 – 1 point                                    |                                                                                   |                                                                           |

| The specific goals allocated points in terms of this tender                                                                                                                | Number of points allocated (80/20 system)<br>(To be completed by the organ of state) | Number of points claimed (80/20 system)<br>(To be completed by the tenderer) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| - Level 9 – 0 points                                                                                                                                                       |                                                                                      |                                                                              |
| The promotion of SMME's                                                                                                                                                    | 5                                                                                    |                                                                              |
| The promotion of woman owned enterprises:<br>- 100% women owned – 5 points<br>- 50 – 99% women owned – 2.5 points<br>- 1 – 49% women owned – 1 points<br>- None – 0 points | 5                                                                                    |                                                                              |
| The promotion of youth owned enterprises:<br>- 100% youth owned – 5 points<br>- 50 – 99% youth owned – 2.5 points<br>- 1 – 49% youth owned – 1 point<br>- None – 0 points  | 5                                                                                    |                                                                              |

#### DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm.....

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
- ☐ One-person business/sole propriety
- ☐ Close corporation
- ☐ Public Company
- ☐ Personal Liability Company
- ☐ (Pty) Limited
- ☐ Non-Profit Company
- ☐ State Owned Company

[TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs

- 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
- (a) disqualify the person from the tendering process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
  - (e) forward the matter for criminal prosecution, if deemed necessary.

|                                                     |                         |
|-----------------------------------------------------|-------------------------|
| <p>.....<br/><b>SIGNATURE(S) OF TENDERER(S)</b></p> |                         |
| <b>SURNAME AND NAME:</b>                            | .....                   |
| <b>DATE:</b>                                        | .....                   |
| <b>ADDRESS:</b>                                     | .....<br>.....<br>..... |

## CONTRACT FORM - RENDERING OF SERVICES

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

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

1. I hereby undertake to render services described in the attached bidding documents to (name of the institution)..... in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid .
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
  - (i) Bidding documents, viz
    - Invitation to bid;
    - Proof of tax compliance status;
    - Pricing schedule(s);
    - Filled in task directive/proposal;
    - Preference claim form for Preferential Procurement in terms of the Preferential Procurement Regulations;
    - Bidder's Disclosure form;
    - Special Conditions of Contract;
  - (ii) General Conditions of Contract; and
  - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT) .....

CAPACITY .....

SIGNATURE .....

NAME OF FIRM .....

#### WITNESSES

1 .....

2 .....

DATE: .....

DATE .....

## CONTRACT FORM - RENDERING OF SERVICES

### PART 2 (TO BE FILLED IN BY THE PURCHASER)

1. I..... in my capacity as..... accept your bid under reference number .....dated.....for the rendering of services indicated hereunder and/or further specified in the annexure(s).
2. An official order indicating service delivery instructions is forthcoming.
3. I undertake to make payment for the services rendered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice.

| DESCRIPTION OF SERVICE | PRICE (ALL APPLICABLE TAXES INCLUDED) | COMPLETION DATE | TOTAL PREFERENCE POINTS CLAIMED | POINTS CLAIMED FOR EACH SPECIFIC GOAL |
|------------------------|---------------------------------------|-----------------|---------------------------------|---------------------------------------|
|                        |                                       |                 |                                 |                                       |

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

SIGNED AT .....ON.....

NAME (PRINT) .....

SIGNATURE .....

OFFICIAL STAMP

|  |
|--|
|  |
|--|

WITNESSES

1 .....

2 .....

DATE: .....

## **THE NATIONAL TREASURY**

### **Republic of South Africa**



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### **GOVERNMENT PROCUREMENT:**

### **GENERAL CONDITIONS OF CONTRACT**

**July 2010**

# **GOVERNMENT PROCUREMENT**

## **GENERAL CONDITIONS OF CONTRACT**

### **JULY 2010**

#### **NOTES**

The purpose of this document is to:

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

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

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

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## General Conditions of Contract

|    |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | <b>Definitions</b> | <p>The following terms shall be interpreted as indicated:</p> <p>1.1. "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.</p> <p>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.</p> <p>1.3. "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.</p> <p>1.4. "Corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.</p> <p>1.5. "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.</p> <p>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.</p> <p>1.7. "Day" means calendar day.</p> <p>1.8. "Delivery" means delivery in compliance of the conditions of the contract or order.</p> <p>1.9. "Delivery ex stock" means immediate delivery directly from stock actually on hand.</p> <p>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.</p> <p>1.11. "Dumping" occurs when a private enterprise abroad markets its goods on its 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.</p> <p>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.</p> <p>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-</p> |
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|           |                    | <p>competitive levels and to deprive the bidder of the benefits of free and open competition.</p> <p>1.14. "GCC" means the General Conditions of Contract.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>1.18. "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.</p> <p>1.19. "Order" means an official written order issued for the supply of goods or works or the rendering of a service.</p> <p>1.20. "Project site," where applicable, means the place indicated in bidding documents.</p> <p>1.21. "Purchaser" means the organization purchasing the goods.</p> <p>1.22. "Republic" means the Republic of South Africa.</p> <p>1.23. "SCC" means the Special Conditions of Contract.</p> <p>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.</p> <p>1.25. "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.</p> |
| <b>2.</b> | <b>Application</b> | <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>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>3.</b> | <b>General</b>     | <p>4.1. 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>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

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|           |                                                              | 4.2. 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 <a href="http://www.treasury.gov.za">www.treasury.gov.za</a> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>4.</b> | <b>Standards</b>                                             | 4.1. The goods supplied shall conform to the standards mentioned in the bidding documents and specifications                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>5.</b> | <b>Use of contract documents and information; inspection</b> | <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 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>                     |
| <b>6.</b> | <b>Patent rights</b>                                         | 6.1.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>7.</b> | <b>Performance security</b>                                  | <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> <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.</p> <p>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:</p> <p style="padding-left: 40px;">b) 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</p> <p style="padding-left: 40px;">c) a cashier's or certified cheque.</p> <p>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.</p> |
| <b>8.</b> | <b>Inspections, tests and analyses</b>                       | <p>8.1. All pre-bidding testing will be for the account of the bidder.</p> <p>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,</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

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|            |                               | <p>at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>8.7. Any contract supplies may on or after delivery be inspected, tested or analysed 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.</p> <p>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.</p> |
| <b>9.</b>  | <b>Packing</b>                | <p>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.</p> <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>10.</b> | <b>Delivery and documents</b> | <p>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.</p> <p>10.2. Documents to be submitted by the supplier are specified in SCC.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>11.</b> | <b>Insurance</b>              | <p>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</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

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|            |                            | acquisition, transportation, storage and delivery in the manner specified in the SCC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>12.</b> | <b>Transportation</b>      | 12.1 Should a price other than an all-inclusive delivered price be required, this shall be specified in the SCC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>13.</b> | <b>Incidental services</b> | <p>13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:</p> <ul style="list-style-type: none"> <li>a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;</li> <li>b) furnishing of tools required for assembly and/or maintenance of the supplied goods;</li> <li>c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;</li> <li>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</li> <li>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.</li> </ul> <p>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.</p> |
| <b>14.</b> | <b>Spare parts</b>         | <p>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:</p> <ul style="list-style-type: none"> <li>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</li> <li>b) in the event of termination of production of the spare parts: <ul style="list-style-type: none"> <li>i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and</li> <li>ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                            |
| <b>15.</b> | <b>Warranty</b>            | <p>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.</p> <p>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</p>                                                                                                                                                                                                                                                                                                                                                                                                        |

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|            |                                             | <p>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.</p> <p>15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.</p> <p>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.</p> <p>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.</p>                                                                       |
| <b>16.</b> | <b>Payment</b>                              | <p>16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.</p> <p>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.</p> <p>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.</p> <p>16.4 Payment will be made in Rand unless otherwise stipulated in the SCC.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>17.</b> | <b>Prices</b>                               | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>18.</b> | <b>Contract amendments</b>                  | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>19.</b> | <b>Assignment</b>                           | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>20.</b> | <b>Subcontracts</b>                         | <p>20.1. The supplier shall notify the purchaser in writing of all subcontracts awarded under this contract 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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>21.</b> | <b>Delays in the supplier's performance</b> | <p>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.</p> <p>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.</p> <p>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.</p> |

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|            |                                | <p>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.</p> <p>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.</p> <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>22.</b> | <b>Penalties</b>               | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>23.</b> | <b>Termination for default</b> | <p>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:</p> <ul style="list-style-type: none"> <li>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;</li> <li>b) if the Supplier fails to perform any other obligation(s) under the contract; or</li> <li>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.</li> </ul> <p>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.</p> <p>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.</p> <p>23.4. If a purchaser intends imposing a restriction on a supplier of 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.</p> |

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|            |                                                          | <p>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.</p> <p>23.6. If a restriction is imposed, the purchaser must, within five (5) workingdays of such imposition, furnish the National Treasury, with the following information:</p> <ul style="list-style-type: none"> <li>a) the name and address of the supplier and / or person restricted by the purchaser;</li> <li>b) the date of commencement of the restriction</li> <li>c) the period of restriction; and</li> <li>d) the reasons for the restriction.</li> </ul> <p>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.</p> |
| <b>24.</b> | <b>Anti-dumping and countervailing duties and rights</b> | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>25.</b> | <b>Force Majeure</b>                                     | <p>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.</p> <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

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| <b>26.</b> | <b>Termination for insolvency</b> | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>27.</b> | <b>Settlement of Disputes</b>     | <p>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.</p> <p>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.</p> <p>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.</p> <p>27.4. Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.</p> <p>27.5. Notwithstanding any reference to mediation and/or court proceedings herein,</p> <p>a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and</p> <p>b) the purchaser shall pay the supplier any monies due to the supplier.</p> |
| <b>28.</b> | <b>Limitation of liability</b>    | <p>28.1. Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 6:</p> <p>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</p> <p>b) 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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>29.</b> | <b>Governing language</b>         | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>30.</b> | <b>Applicable law</b>             | 30.1. The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>31.</b> | <b>Notices</b>                    | <p>31.1. Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice.</p> <p>31.2. The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>32.</b> | <b>Taxes and duties</b>           | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

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|            |                                                          | <p>32.2. A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.</p> <p>32.3. No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>33.</b> | <b>National Industrial Participation (NIP) Programme</b> | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>34.</b> | <b>Prohibition of Restrictive practices</b>              | <p>34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).</p> <p>34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.</p> <p>34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.</p> |