# INVITATION TO SUBMIT BID PROPOSALS

Date issued: 23 July 2026

## 1. Background

The Municipal Demarcation Board invites suitably qualified and experienced services providers to submit bid proposals to render 24hours Physical Security Services at the Municipal Demarcation Board (MDB) offices, for a period of sixty (60) months bearing Bid Number **MDB001 – 2026/2027.**

## 2. Terms of Reference

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

## 3. Compulsory Briefing session

A compulsory briefing session will be held virtually on 07 August 2026 at 10:00am.

## 4. Bid submission

Original bids and proposals must be submitted at the offices of MDB and deposited in the tender box. Door deliveries by courier services are accepted, provided the bidder instructs the courier firm to deposit the bids in the tender box. The closing date is **14 August 2026 at 11h00**. Incomplete (non-responsive), late, faxed or emailed bids will **NOT** be accepted.

## 5. Disclaimer

The MDB reserves the right to withdraw this bid at any time before the award. The MDB also reserves the right not to award the contract with the lowest financial proposal, furthermore, the successful bidder should be registered on the National Treasury Central Supplier Database at the time of award.

*Issued by*

**MR ALUWANI RAMAGADZA**
**ACTING CHIEF EXECUTIVE OFFICER**
**MUNICIPAL DEMARCATION BOARD**

23/07/2026



Block C1, Eco Origins Office Park
349 Witch-Hazel Avenue
Highveld, 0157

Tel: 012 342 2481 012 342 2481
Email: info@demarcation.org.za
Web: www.demarcation.org.za

**REQUEST FOR PROPOSALS**

# TERMS OF REFERENCE FOR THE APPOINTMENT OF A SERVICE PROVIDER TO RENDER TWENTY-FOUR (24) HOUR PHYSICAL SECURITY SERVICES AT THE MUNICIPAL DEMARCATION BOARD FOR A PERIOD OF SIXTY (60) MONTHS

**CLOSING DATE: 14 AUGUST 2026**

**BID REFERENCE: MDB001-2026/2027**

All submission of proposals must be delivered at the MDB Offices on or before the closing date and time.

**Office Details:** Municipal Demarcation Board: Eco Origins Office Park, Block C1, 349 Witch-Hazel Avenue Highveld Centurion. (Should MDB relocate premises before the end of sixty (60) months contract period, the service provider should be able to continue with the security services around the Gauteng area)

Service Providers can send bid documents using door to door courier services but **NO** bid documents to be sent to the MDB postal address.

Bid submissions must be **placed inside** the tender box which is situated at the Reception Area on the Ground Floor of the Municipal Demarcation Board. The tender box will only be accessible during official working hours (from 08:00 to 16:30, Monday to Friday) (**NO EXCEPTIONS**).



Block C1, Eco Origins Office Park
349 Witch-Hazel Avenue
Highveld, 0157

Tel: +2712 342 2481
Email: info@demarcation.org.za
Web: www.demarcation.org.za

**Tender offers will be evaluated in four phases:**

- **Phase 1: Eligibility: Compulsory Briefing Session**
- **Phase 2: Returnables**
- **Phase 3: Functional Evaluation**
- **Phase 4: Price and Preference**

## PHASE 1: ELIGIBILITY: COMPULSORY BRIEFING SESSION

MBD will refer to the attendance register of the compulsory Briefing Session to confirm if a bidder attended the compulsory briefing session

**Failure to attend a compulsory briefing session will result in a bidder being disqualified at this stage and not evaluated further.**

## PHASE 2: RETURNABLES

2.1 ADMINISTRATIVE AND LEGAL COMPLIANCE

| Ref. | Administrative requirements | Compliant (Yes/No) | SCM Verification (OFFICIAL USE) |
|---|---|---|---|
| 2.1.1 | The bidder is registered on the National Treasury Central Supplier Database (CSD) and has an active and valid CSD number at the bid closing date. | ☐ Yes ☐ No | CSD verified |
| 2.1.2 | The bidder is tax compliant, and tax compliance status will be verified through the CSD and/or SARS system prior to award. | ☐ Yes ☐ No | Tax verified |
| 2.1.3 | The bidder has submitted all completed, duly signed and authorised bid documents, including this Annexure and all applicable Standard Bidding Documents issued with the bid. | ☐ Yes ☐ No | Documents verified |
| 2.1.4 | The bidder has submitted a pricing proposal. | ☐ Yes ☐ No | Documents verified |
| 2.1.5 | The bidder is registered on CIPC and has submitted the certificate | ☐ Yes ☐ No | Documents verified |

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2.2 SECTOR-SPECIFIC LEGAL COMPLIANCE (SECURITY SERVICES)

| Ref. | Mandatory Requirement | Compliant (Yes/No) | SCM Verification (OFFICIAL USE) |
|---|---|---|---|
| 2.2.1 | The bidder is registered with the Private Security Industry Regulatory Authority (PSIRA) in terms of the Private Security Industry Regulation Act, 2001 (Act 56 of 2001). | ☐ Yes ☐ No | PSIRA verified |
| 2.2.2 | The bidder has submitted a valid PSIRA Certificate of Registration, applicable to the required security service category, valid at the bid closing date. | ☐ Yes ☐ No | Registration confirmed |
| 2.2.3 | The bidder's PSIRA grading is appropriate to the scope (Grade C Officer) and nature of the security services required | ☐ Yes ☐ No | Grade confirmed |

| | | | |
|---|---|---|---|
| | in this bid. | | |
| 2.2.4 | **Valid** certified copies of PSIRA certificate(s) of all Directors/Owners. | ☐ Yes ☐ No | Certificate confirmed |
| 2.2.5 | **Valid** letter of compliance with the Security Provident Fund. The letter must be valid at the time of tender closing: section 13 A Compliance letter from the Security Provident Fund (month to month validation or compliance letter) issued by the Private Security Industry Provident Fund. | ☐ Yes ☐ No | Letter verified |
| 2.2.6 | List of all registered security officers issued by PSIRA (name list). | ☐ Yes ☐ No | List checked |
| 2.2.7 | COIDA Letter of Good Standing | ☐ Yes ☐ No | Letter verified |

2.3 COMPETITION AND GOVERNANCE DECLARATION

| Ref. | Mandatory Requirement | Compliant (Yes/No) | SCM Verification (OFFICIAL USE) |
|---|---|---|---|
| 2.3.1 | The bidder has submitted a Certificate of Independent Bid Determination, duly completed and signed. | ☐ Yes ☐ No | Compliance verified |

2.4. EXCLUDED FROM BID-STAGE COMPLIANCE

The following requirements are not mandatory at bid stage and will not be used as disqualification criteria. These will be required from the successful bidder only, prior to contract signing and/or commencement of services:

- UIF compliance certificates
- Police Clearance Certificates
- Payslips or wage schedules

**2.5. CONSEQUENCES OF NON-COMPLIANCE WITH MANDATORY**

**Failure to comply with any requirement listed in Section 2.2 and 2.3 above will result in the bid being declared non-responsive and disqualified from further consideration.**

2.6. BIDDER DECLARATION

I, the undersigned, hereby declare that:

- I am duly authorised to submit this bid on behalf of the bidder;
- All information and documentation provided in relation to this Annexure is true and correct; and
- I acknowledge that misrepresentation or false information may result in disqualification, termination of contract, and/or regulatory action in terms of applicable legislation.

Bidder Name:

………………………………………………………………………………………

Authorised Representative:

………………………………………………………………………………………

Signature:

………………………………………………………………………………………

Date:

………………………………………………………………………………………

## 1. PURPOSE OF THE PROPOSAL

### 1.1 Requirements for Physical Security Services

The MDB requires a suitably compliant service provider to submit proposals to provide security staff to render physical security services for twenty-four (24) hours, seven (7) days a week, including public holidays at the offices of the MDB for a period of sixty (60) months. The security services will only be restricted to the rented premises, as the building is situated in a guarded office park and is managed by the landlord.

## 2. BACKGROUND

2.1 It is crucial for the MDB to ensure that the premises are secured in accordance with the Access Control to Premises and Vehicle Act, 1985 (Act 53 of 1985); and the Minimum Physical Security Standards (MPSS), which are applicable to the MDB.

## 3. SCOPE OF WORK/DELIVERABLES

**The scope of work/deliverables will change depending on the lay-out of the current office accommodation/design of the new premises.**

3.1 Service Providers are invited to provide the following security services:

3.1.1 Provide twenty-four (24) hours, seven (7) days a week physical security at the MDB, including public holidays.

3.1.2 Provide five (5) security guards as follows:

3.1.2.1 Provide three (3) security guards during day shift; and

3.1.2.2 Provide two (2) security guards during night shift.

3.1.3 Security Officers will be posted as follows:

3.1.3.1 **Grade C Officer** Day/Night to man the main entrance door;

3.1.3.2 **Grade C Officer** Day/Night to man the security control room; and

3.1.3.3 To provide **Supervisor/s** to monitor both shifts.

## 4. PROJECT OUTPUT

4.1 Provide a safe and secure environment for both MDB staff members and visitors.

4.2 Provide an environment for the safeguarding of MDB assets both movable and immovable.

4.3 Security Officers posted at main entrance/exit including basement/open parking area will be responsible for maintenance of access control operations in accordance with the relevant security prescripts.

4.4 Security Officers will be responsible for accompanying visitors and service providers to reception, as well as monitoring their movement while on premises.

4.5 Provide alerts and advise the MDB on any potential security threats that may be on the horizon.

4.6 Continuous monitoring of the MDB premises.

4.7 Monthly reports on weekly activities to be submitted by the Service Provider.

4.8 Quarterly meetings between MDB and Service Provider.

4.9 A site dedicated supervisor will be responsible for overall supervision of security services to be rendered, and report to the HR and Administration Unit.

4.10 Provide office consumables to ensure the proper recording of operational matters.

## 5. MAINTENANCE OF THE SERVICE LEVEL AGREEMENT (SLA)

5.1 The SLA will be signed between the Municipal Demarcation Board and the successful bidder for the duration of the Agreement, subject to a probation period of six (6) months, to monitor the performance of the service provider. The SLA will set out, inter alia, the scope of work, deliverables, performance standards, timelines, reporting requirements, and contractual obligations.

5.2 The service provider will sign a confidentiality agreement regarding the protection of MDB information. The successful bidder will be required to sign a **confidentiality agreement** to ensure the protection and safeguarding of all confidential and proprietary information of the MDB, including Board and institutional information, both during the contract period and thereafter, where applicable.

5.3 Quarterly performance review on the provisions in the SLA will be conducted by the MDB.

## 6. EVALUATION METHODOLOGY/CRITERIA

### 6.1 **Project Cost**

a) Provide fixed price quotation for the duration of the contract, including any/or all annual escalations affecting the sector and its employees, for example annual salary increases and any PSIRA requirements.
b) Annual percentage escalation of price should be based on the current Sectoral Determination 6: Private Security Sector.
c) Cost must be VAT inclusive and quoted in South African Rand.
d) Bidders who quote lower than the PSIRA contract pricing for Grade C security guards will be disqualified during the price evaluation stage.
e) All payments to the service provider will be made within thirty (30) days from receipt of a valid invoice **ONLY** when services have been fully rendered; and all queries raised have been resolved for that month.

### 6.2 **Price and Specific Goals**

**80/20 PREFERENCE POINTS SYSTEM: TENDERS FROM R1 MILLION TO A MAXIMUM OF R50 MILLION**

- The rand value, including all applicable taxes for the application of the 80/20 preference point system will be applied.

- In applying the preference point system, 80 points are allocated to a tenderer who submits the lowest acceptable tender price and a maximum of 20 points may be awarded to a tenderer for B-BBEE status level of contributor.

- Bidders must submit valid BBBEE certificate or Sworn Affidavit to score point. Bidders will not be disqualified for not submitting BBBEE certificate or sworn affidavit but will not score for Phase four (4) evaluation.

- Both the points allocated for price (80) and specific goals (20) are combined or calculated to a total out of 100, and the tender must be awarded to the tenderer who scores the highest number of total points.

- In the case of a joint venture partnership, treasury regulations 16 issued under PFMA will be applied.

- Provision of the Preferential Procurement Policy Framework Act, 2000: Preferential Procurement Regulations of 2022 will be applied.

6.3 **Company Experience**

- At least a minimum of five (5) years' experience in providing physical security services in South Africa.
- Proposals must be accompanied by) contactable signed references (with a company logo) not older than three (3) years for similar projects carried out.
- Provide a valid PSIRA Certificate of Good Standing.

6.4 **Infrastructure**

**A dedicated office space with the following operational systems in place:**

a) Official (physical place of work address); official business line and e-mail facility.
b) The service provider should have a 24-hour dedicated control tower that is fully functional with telecommunication connectivity in an official place of work.
c) The control room must have an electronic two-way radio base set and an emergency back-up service.
d) The control room must have strict access control.
e) Proof of hourly patrolling device to be installed for reporting.
f) The service provider must have at least two (2) vehicles in road-worthy condition; and must submit a certified copy of the registration certificate and a valid license disc of the vehicles.

6.5 **Functionality, Experience and Qualification**

a) Provide twenty-four (24) hours, seven (7) days a week physical security at the MDB, including public holidays.
b) Provide a safe and secure environment for both MDB staff members and visitors.
c) Provide an environment for the safeguarding of MDB assets both movable and immovable.

**The Security Guards MUST:**

a) Have relevant years' working experience in security services.
b) Having the relevant security PSIRA certificates (Grade C) and CVs of Guards must be submitted.
c) Must be capable of monitoring and managing the security service as stipulated

in the proposal.

d) Must be dressed in full company security uniform and be presentable when on duty; and
e) Must wear an ID card whilst on duty in such a manner that it can be clearly seen. The ID must contain the members' name, surname, PSIRA number, employee number and a photo of the employee.

**The Security Guards must be equipped with the following and monitored by the Supervisor, but not limited to the following:**

a) A visitor's register.
b) Incident log-in register.
c) Occurrence register.
d) Declaration register.
e) Two-way radio with their charging units per guard.
f) Light torch per guard; and
g) Baton stick and handcuffs per guard, etc.

6.6 **Project Execution Plan**

**The service provider must provide a Project Execution Plan as follows:**

a) Detailed Project Plan with intermediate and final outputs and identified timeframes/milestones.
b) Management of the Project; and
c) Contingency plan.

**Delivery Period of the Required Security System**

a) The successful bidder must be able to supply and install the required security systems within three (3) days from the date of awarding the contract; and to remove all movable and immovable assets (patrolling devices, security systems, etc.) within twenty-four (24) hours on termination of the contract.

6.7 **Reporting**

a) All incidents must be recorded and reported immediately to the HR and Administration Unit.
b) Monthly service reports must be submitted to the HR and Administration Unit.
c) Conduct quarterly meetings with all relevant MDB personnel in line with the provisions of the SLA; and

d) Monthly invoices must be submitted to the Finance Unit, as indicated under 6.1 Project Cost.

## 7. PHASE 3: EVALUATION CRITERIA LINKED TO NUMERIC VALUES

***a.*** *The below table will be applied to evaluate each bid.*
***b.*** Bidders who obtain at least 70 points for functionality will proceed to Phase 4 Price and Preference Points Evaluation

| CRITERIA | WEIGHT | RATING | | | | | | VALUE RATING |
|---|---|---|---|---|---|---|---|---|
| | | 0 | 1 | 2 | 3 | 4 | 5 | |
| **1. Experience and Contactable References**<br><br>1.1 Years of experience in providing physical security services in South Africa.<br>• 5 or more years: 5 points<br>• 4 years: 4 points<br>• 3 years: 3 points<br>• 2 years: 2 points<br>• 1 year: 1 point<br>• Less than 1 year: 0 points<br>*Bidders must submit company registration documents to score points.* | **10** | | | | | | | |
| 1.2 Proposals must be accompanied by contactable signed references (with a company logo, signed and contact details) not older than three (3) years for security guarding projects carried out. (*No points will be awarded for reference letters without a company logo, contact details and older than 3 years)*<br>• 5 or more reference letters: 5 points<br>• 4 reference letters: 4 points<br>• 3 reference letters: 3 points<br>• 2 reference letters: 2 points<br>• 1 reference letter: 1 point<br>• 0 reference letter: 0 points | **10** | | | | | | | |
| 1.3 Provide a valid PSIRA Certificate of Good Standing. | **10** | | | | | | | |

| CRITERIA | WEIGHT | RATING | | | | | | VALUE RATING |
|---|---|---|---|---|---|---|---|---|
| | | 0 | 1 | 2 | 3 | 4 | 5 | |
| • Valid PSIRA Certificate of Good Standin: 10 points<br>• No Valid PSIRA Certificate of Good Standing: 0 points | | | | | | | | |
| **2. Infrastructure: A dedicated office space with the following operational systems in place:**<br>**2.1 Official (physical place of work address); official business line and e-mail facility.** (*Proof of utility bills/tax invoice not older than 3 months; and company profile to score points)*.<br>• Proof of utility bills/tax invoice not older than 3 months; and company profile submitted: 5 points<br>• No evidence of utility bills/tax invoice not older than 3 months; and company profile submitted: 0 point<br>*No points will be awarded for utility bills/tax invoice older than 3 months.*<br>2.2 The service provider should have a 24-hour control room with all required telecommunication and security equipment and documentation in an official place of work.<br>*Given that the services required is 24 hours, the control tower must be available 24 hours and equipped with **all** the following:*<br>• Telephone/Cellphone<br>• Base Radio/PTT, Printers, Internet<br>• Security Registers<br>• duty lists/Copies attached<br>• Business continuity plan that covers shortages, strikes, and disasters<br>*Bidders are to provide photographic evidence and/or copies of **all five** items described above to score points.*<br>• Photographic evidence and/or copies of all five items described: 5 points<br>• No evidence/copies; or one or more items described not provided: 0 | **30** | | | | | | | |

| CRITERIA | WEIGHT | RATING | | | | | | VALUE RATING |
|---|---|---|---|---|---|---|---|---|
| | | 0 | 1 | 2 | 3 | 4 | 5 | |
| **2.3 The control room must have an electronic two-way radio base set and an emergency back-up service.**<br>(*Bidders must provide photographic evidence of electronic two-way radio base set and an emergency back-up service to score points)*<br><br>• Photographic evidence of all electronic two-way radio base set and an emergency back-up service are available: 5 points<br>• Not all communication systems and security equipment are available: 0 point<br><br>**2.4 The control room must have strict access control.**<br>(*Proof of security systems in place to access control room. Bidders must provide clear photographic evidence of inside and outside control rooms and control room access procedures to score points)*<br><br>• Photographic evidence and control room access procedures: 5 points<br>• No photographic evidence and access procedures of the control room: 0 point<br><br>**2.5 Proof of hourly patrolling device to be installed for reporting.**<br>(*Bidders must provide clear photographic evidence of installation of a patrol device at a client's premises to score points)*<br><br>• Photographic evidence of patrolling device installed at client's premises: 5 points<br>• No evidence of installation of a patrol device: 0 point<br><br>**2.6 The service provider must have two (2) vehicles**<br>(Bidder *must submit a certified copy of the registration certificate and a valid license disc of the vehicles to score points*) | | | | | | | | |

| CRITERIA | WEIGHT | RATING | | | | | | VALUE RATING |
|---|---|---|---|---|---|---|---|---|
| | | 0 | 1 | 2 | 3 | 4 | 5 | |
| • Certified copy of the registration certificate and a valid license disc of 2 vehicles: 5 points<br>• No certified copy of the registration certificate and a valid license disc of the vehicles: 5 points: 0 point | | | | | | | | |
| **3. Experience and Qualification of the security guards**<br><br>3.1 Years' of experience in security guarding.<br>3.2 Have the relevant security. Bidders must submit five (5) security guards valid grade C PSIRA certificates and CV.<br><br>• Grade C and less than 1 years: 0 points<br>• Grade C with 1 year experience: 10 points<br>• Grade C and 2 years' experience: 20 points<br>• Grace C with 3 years and above: 30 points.<br><br>***Note:***<br>• *Points will be calculated as follows: All five security guards must have the same number of years.*<br>• *A team member for whom a CV is not submitted with a clear reflection of years of experience in the field of security services will not be counted.*<br>• *If any of the team members does not submit a PSIRA grading certificate as indicated above, the team will not be considered for evaluation.* | **30** | | | | | | | |
| **4. Project Execution Plan**<br><br>Submit Project Plan align with section 6.5<br><br>• Project Plan submitted: 10 points<br>• No project plan submitted: 0 points | **10** | | | | | | | |
| **Total** | **100** | | | | | | | |

| CRITERIA | WEIGHT | RATING | | | | | | VALUE RATING |
|---|---|---|---|---|---|---|---|---|
| | | 0 | 1 | 2 | 3 | 4 | 5 | |
| **Minimum** | **70** | | | | | | | |

**For purpose of evaluating functionality, the following values will be applicable:**

| Value Rating | Value | Description |
|---|---|---|
| 0= | Non-Satisfactory | Non-compliance with criterion. |
| 1= | Satisfactory | Below inadequate criterion. |
| 2= | Average | Below minimum criterion. |
| 3= | Good | Minimum criterion. |
| 4= | Very Good | Partial criterion. |
| 5= | Excellent | Maximum criterion. |

**PHASE 4 : PRICE AND SPECIFIC GOALS (INCLUDING B-BBEE STATUS) 80/20 PREFERENCE POINT SYSTEM**

**NB:** *Criteria to be considered in evaluating the bid –* ***80/20*** *principle in terms of the Preferential Procurement Policy Framework Act is applicable.*

*(Applicable to tenders with a Rand value equal to or above R1000 000 and up to R50 million)*

In accordance with section 217 of the Constitution of the Republic of South Africa, the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000), the Preferential Procurement Regulations, 2022, and the Public Finance Management Act, 1999 (Act No. 1 of 1999), responsive bids will be evaluated using the 80/20 preference point system, under which points are allocated as follows:

- Price: maximum of 80 points
- Specific goals (which may include B-BBEE status level of contributor, where applicable): maximum of 20 points

Application of the preference point system

- The total Rand value, including Value-Added Tax (VAT) and all applicable taxes, will be used to determine the applicable preference point system.
- Eighty (80) points will be allocated to the tenderer who submits the lowest acceptable tender price.
- All other acceptable tenders will score proportionately fewer points for price in accordance with the prescribed formula as set out in the Preferential Procurement Regulations, 2022.
- A maximum of twenty (20) points may be awarded for attaining the specific goals, as approved in the institution's Preferential Procurement Policy and clearly specified in the invitation to bid.

Evaluation and award of contract

- Points scored for price (80) and specific goals (20) will be added together to determine a total score out of 100.
- The contract will be awarded to the tenderer who scores the highest total points, unless objective criteria, duly recorded and approved by the Accounting Officer / Accounting Authority, justify the award to another tenderer, in line with the PPPFA and National Treasury SCM prescripts.

Joint ventures and consortia

- In the case of a joint venture or consortium, preference points for specific goals (including B-BBEE, where applicable) will be determined based on a valid consolidated joint venture B-BBEE certificate issued in accordance with the B-BBEE Act, the Codes of Good Practice, and applicable National Treasury SCM Instructions.
- The lead partner, roles, responsibilities, and percentage participation of each party must be clearly indicated and supported by a signed joint venture agreement submitted with the bid.

Governance and compliance

- This evaluation will be conducted in a manner that is fair, equitable, transparent, competitive and cost-effective, and in compliance with the PFMA, Treasury Regulations, and the institution's approved Supply Chain Management Policy.
- No preference points will be awarded unless valid supporting documentation is submitted as prescribed in the bid documents.

## 8. REQUIREMENTS

**The following shall apply:**

8.1 The MDB reserves the right to conduct security background checks in respect of the selected bidders, their directors and staffing personnel.

8.2 Appointment of the successful bidder will be subjected to positive background checks.

8.3 A site inspection will be conducted to confirm the infrastructure capabilities as listed in 6.4 for the top three (3) short-listed bidders

## 9. FORMAT AND SUBMISSION OF PROPOSALS

9.1. All applicable **Standard Bidding Documents (SBDs)** must be fully completed, duly signed by an authorized representative of the bidder, and submitted in accordance with the requirements set out in this bid document.

9.2. Bidders must submit their proposals in the following format by the closing date and time stipulated in the invitation to bid:

- **One (1) original hard copy** of the bid proposal.
- **One (1) hard copy** of the bid proposal; and
- **One (1) electronic copy** of the **technical proposal** on a memory stick (flash drive).

**Failure to submit the proposal in the prescribed format and quantities shall result in the bid being regarded as non-responsive**.

9.5. The complete submission must be returned to: Municipal Demarcation Board
Eco Origins Office Park, Block C1, 349 Witch-Hazel Avenue, Highveld,

Centurion Attention: Supply Chain Management Unit

## 10. A COMPULSORY VIRTUAL BRIEFING SESSION

A compulsory virtual (**Microsoft Teams**) Briefing session is scheduled to take place on 07 August 2026 at 10:00am. Login details are as follows: **Microsoft Teams meeting**

**Join:**

[https://teams.microsoft.com/meet/392668152950833?p=aqHqBXSFwrw2lYwMDv](https://teams.microsoft.com/meet/392668152950833?p=aqHqBXSFwrw2lYwMDv)

**Meeting ID: 392 668 152 950 833**

**Passcode: Qc6883uf**

**Failure to attend the compulsory briefing session shall lead to bidders being disqualified.**

## 11. DISCLAIMER

11.1 Whilst the MDB is issuing this Request for Proposals (RFP) in good faith, it reserves the right to cancel the selection process and reserves the right not to select or appoint any of the bidders to the RFP and is also not obliged to provide reasons for the rejection of any proposals.

**The MDB also reserves the right:**

- To reduce / increase the required service during the contract period, thirty (30) days' written notice to be given.
- To negotiate cost of the physical security services to be rendered and negotiate an acceptable solution with one or more potential bidders.
- To appoint a B-BBEE Level 1 contributor in the following category: Women owned, Youth and Persons with Disabilities.
- Not to consider any proposals that do not conform to any aspect of the bidding requirements, as well as request further information from any bidders after the closing date.
- To cancel this tender and any part thereof at any time.

## 12. TERMINATION OF THE CONTRACT

**12.1** The MDB reserves the right to terminate the contract, with immediate effect or upon written notice, should the service provider:

a) cease to be **registered and compliant with the Private Security Industry Regulatory Authority (PSIRA)** in terms of the **Private Security Industry Regulation Act, 2001 (Act No. 56 of 2001)**; and/or

b) no longer be **legally registered with the Companies and Intellectual Property Commission (CIPC)**, or be deregistered, liquidated, or placed under business rescue.

**12.2** Termination in terms of this clause shall not require compensation and shall be without prejudice to any other rights or remedies available to the MDB in law or in terms of the contract.

**12.3** The service provider bears the sole responsibility to maintain valid statutory registrations for the duration of the contract and must immediately notify the MDB in writing of any change in status.

## 13. BIDDERS NOTIFICATION

13.1 The MDB will notify bidders of the outcome of the bid through letters, website and e-Tender portals

## 14. CONTACT DETAILS

14.1 For all related queries, please contact the Supply Chain Management Unit, Mr. Abel Maluleka via e-mail Abel@demarcation.org.za between 08:00 to 16:30, Mondays to Fridays.

14.2 For additional information visit the MDB website www.demarcation.org.za.

23/07/2026

# PART A
# INVITATION TO BID

| YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE MUNICIPAL DEMARCATION BOARD | | | | | |
|---|---|---|---|---|---|
| BID NUMBER: | MDB001-2026/2027 | CLOSING DATE:2026-08-14 | | CLOSING TIME: | 11:00 |
| DESCRIPTION | APPOINTMENT OF A SERVICE PROVIDER TO RENDER TWENTY FOUR (24) HOUR PHYSICAL SECURITY SERVICES FOR THE MUNICIPAL DEMARCATION BOARD (MDB) FOR A PERIOD OF SIXTY (60) MONTHS | | | | |
| **BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT *(STREET ADDRESS)*** | | | | | |
| **Block C1 Eco Origin** | | | | | |
| **349 Witch-Hazel Avenue** | | | | | |
| **Highveld** | | | | | |
| | | | | | |

| **BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO** | | **TECHNICAL ENQUIRIES MAY BE DIRECTED TO:** | |
|---|---|---|---|
| CONTACT PERSON | **Mr Abel Maluleka** | CONTACT PERSON | **Ms Vanie Naidoo** |
| TELEPHONE NUMBER | **012 342 2481** | TELEPHONE NUMBER | **012 342 2481** |
| FACSIMILE NUMBER | **012 342 2480** | FACSIMILE NUMBER | **012 342 2480** |
| E-MAIL ADDRESS | **Abel@demarcation.org.za** | E-MAIL ADDRESS | **Vanie@demarcation.org.za** |

| **SUPPLIER INFORMATION** | | | | | |
|---|---|---|---|---|---|
| NAME OF BIDDER | | | | | |
| POSTAL ADDRESS | | | | | |
| STREET ADDRESS | | | | | |
| TELEPHONE NUMBER | CODE | | NUMBER | | |
| CELLPHONE NUMBER | | | | | |
| FACSIMILE NUMBER | CODE | | NUMBER | | |
| E-MAIL ADDRESS | | | | | |
| VAT REGISTRATION NUMBER | | | | | |
| SUPPLIER COMPLIANCE STATUS | TAX COMPLIANCE SYSTEM PIN: | | **OR** | CENTRAL SUPPLIER DATABASE No: | MAAA |
| B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE | TICK APPLICABLE BOX]<br>☐ Yes ☐ No | | B-BBEE STATUS LEVEL SWORN AFFIDAVIT | [TICK APPLICABLE BOX]<br>☐ Yes ☐ No | |
| ***[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]*** | | | | | |
| ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED? | ☐Yes ☐No<br>[IF YES ENCLOSE PROOF] | | ARE YOU A FOREIGN BASED SUPPLIER FOR **THE GOODS /SERVICES /WORKS OFFERED?** | ☐Yes ☐No<br>[IF YES, ANSWER THE QUESTIONNAIRE BELOW ] | |

| **QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS** | |
|---|---|
| IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? | ☐ YES ☐ NO |
| DOES THE ENTITY HAVE A BRANCH IN THE RSA? | ☐ YES ☐ NO |
| DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? | ☐ YES ☐ NO |
| DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? | ☐ YES ☐ NO |
| IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? | ☐ YES ☐ NO |
| **IF THE ANSWER IS “NO” TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.** | |

# PART B
# TERMS AND CONDITIONS FOR BIDDING

| | |
|---|---|
| **1.** | **BID SUBMISSION:** |
| 1.1. | BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION. |
| 1.2. | **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.** |
| 1.3. | THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT. |
| 1.4. | **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).** |

| | |
|---|---|
| **2.** | **TAX COMPLIANCE REQUIREMENTS** |
| 2.1 | BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS. |
| 2.2 | BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS. |
| 2.3 | APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA. |
| 2.4 | BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID. |
| 2.5 | IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER. |
| 2.6 | WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED. |
| 2.7 | NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE." |

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

SIGNATURE OF BIDDER: ……………………………………………

CAPACITY UNDER WHICH THIS BID IS SIGNED: ……………………………………………
(Proof of authority must be submitted e.g. company resolution)

DATE: …………………………………………...

# TAX CLEARANCE CERTIFICATE REQUIREMENTS

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

1 In order to meet this requirement bidders are required to complete in full the attached form TCC 001 "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.

2 SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.

3 The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.

4 In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.

5 Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website www.sars.gov.za.

6 Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website www.sars.gov.za.

# PRICING SCHEDULE – FIRM PRICES
# (PURCHASES)

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

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

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

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

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

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

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

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

*Delete if not applicable

SBD 3.2

# PRICING SCHEDULE – NON-FIRM PRICES (PURCHASES)

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

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

| | |
|---|---|
| Name of Bidder………………………………………………………… | Bid number………………………………… |
| Closing Time 11:00 ……………………………………………… | Closing date……………………………….. |

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

---

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

---

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

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

*Delete if not applicable

## PRICE ADJUSTMENTS

### A NON-FIRM PRICES SUBJECT TO ESCALATION

1. IN CASES OF PERIOD CONTRACTS, NON FIRM PRICES WILL BE ADJUSTED (LOADED) WITH THE ASSESSED CONTRACT PRICE ADJUSTMENTS IMPLICIT IN NON FIRM PRICES WHEN CALCULATING THE COMPARATIVE PRICES

2. IN THIS CATEGORY PRICE ESCALATIONS WILL ONLY BE CONSIDERED IN TERMS OF THE FOLLOWING FORMULA:

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

Where:

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

3. The following index/indices must be used to calculate your bid price:

Index………. Dated……….    Index………. Dated……….    Index………. Dated……….

Index………. Dated……….    Index………. Dated……….    Index………. Dated……….

4. FURNISH A BREAKDOWN OF YOUR PRICE IN TERMS OF ABOVE-MENTIONED FORMULA. THE TOTAL OF THE VARIOUS FACTORS MUST ADD UP TO 100%.

| FACTOR<br>(D1, D2 etc. eg. Labour, transport etc.) | PERCENTAGE OF BID PRICE |
|---|---|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

**B PRICES SUBJECT TO RATE OF EXCHANGE VARIATIONS**

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

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

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

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

# PRICING SCHEDULE
**(Professional Services)**

NAME OF BIDDER: ………………………………………………………………………………………………BID NO.: **MDB001-2026/2027**

CLOSING TIME **11:00** CLOSING DATE:**14 August 2026**

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

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

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

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

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

4. PERSON AND POSITION

| PERSON AND POSITION | HOURLY RATE | DAILY RATE |
|---|---|---|
| ------------------------------------------------------------ | R---------------------------- | -------------------------------- |
| ------------------------------------------------------------ | R---------------------------- | -------------------------------- |
| ------------------------------------------------------------ | R---------------------------- | -------------------------------- |
| ------------------------------------------------------------ | R---------------------------- | -------------------------------- |
| ------------------------------------------------------------ | R---------------------------- | -------------------------------- |

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

| | | |
|---|---|---|
| ------------------------------------------------------------ | R---------------------------- | ------------------------- days |
| ------------------------------------------------------------ | R---------------------------- | ------------------------- days |
| ------------------------------------------------------------ | R---------------------------- | ------------------------- days |
| ------------------------------------------------------------ | R---------------------------- | ------------------------- days |

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

| DESCRIPTION OF EXPENSE TO BE INCURRED | RATE | QUANTITY | AMOUNT |
|---|---|---|---|
| ------------------------------------------------------------ | ………………. | …………….. | R……………….. |
| ------------------------------------------------------------ | ………………. | …………….. | R……………….. |
| ------------------------------------------------------------ | ………………. | …………….. | R……………….. |
| ------------------------------------------------------------ | ………………. | …………….. | R……………….. |

TOTAL: R………………………………………………….

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

Bid No.: ……………………………………

Name of Bidder: ……………………………………………………………………………………………………………

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

| DESCRIPTION OF EXPENSE TO BE INCURRED | RATE | QUANTITY | AMOUNT |
|---|---|---|---|
| ------------------------------------------------------------------------------- | ………………. | …………….. | R……………….. |
| ------------------------------------------------------------------------------- | ………………. | …………….. | R……………….. |
| ------------------------------------------------------------------------------- | ………………. | …………….. | R……………….. |
| ------------------------------------------------------------------------------- | ………………. | …………….. | R……………….. |

TOTAL: R………………………………………………….

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

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

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

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

……………………………………………………………….

……………………………………………………………….

……………………………………………………………….

*[DELETE IF NOT APPLICABLE]

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Any enquiries regarding bidding procedures may be directed to the –

**Department**: **MUNICIPAL DEMARCATION BOARD**

**Contact Person: Mr Abel Maluleka**

**E-mail address: Abel@demarcation.org.za**

Or for technical information

**Contact Person: Ms Vanie Naidoo**

**E-mail address: Vanie@demarcation.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 interest1 in the enterprise, employed by the state? **YES/NO**

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

| Full Name | Identity Number | Name of State institution |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

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

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

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

2.2.1 If so, furnish particulars:
………………………………………………………………………………………
………………………………………………………………………………………

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

2.3.1 If so, furnish particulars:
…………………………………………………………………………….
…………………………………………………………………………….

**3 DECLARATION**

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

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

3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring

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

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

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

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

……………………………… ..……………………………………………
Signature Date

……………………………… ………………………………………………
Position Name of bidder

**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**

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## 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

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 |
| **Total points for Price and SPECIFIC GOALS** | **100** |

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:

**80/20** **or** **90/10**

$$\boldsymbol{Ps = 80\left(1 - \frac{Pt - P\,min}{P\,min}\right)}$$ or $$\boldsymbol{Ps = 90\left(1 - \frac{Pt - P\,min}{P\,min}\right)}$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

## 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:

**80/20** **or** **90/10**

$$Ps = 80\left(1 + \frac{Pt - P\,max}{P\,max}\right) \text{ or } \qquad Ps = 90\left(1 + \frac{Pt - P\,max}{Pmax}\right)$$

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 (90/10 system) (To be completed by the organ of state)** | **Number of points allocated (80/20 system) (To be completed by the organ of state)** | **Number of points claimed (90/10 system) (To be completed by the tenderer)** | **Number of points claimed (80/20 system) (To be completed by the tenderer)** |
|---|---|---|---|---|
| HDIs (Who had no franchise on national elections before the 1983 and 1993 constitution) | | 8 | | |
| Women | | 4 | | |
| Youth | | 4 | | |
| People with disabilities | | 2 | | |
| Implementation of RDP goals (**The promotion of enterprises located in a specific province for work to be done or services to be rendered in that province)** | | 2 | | |

**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.

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| ……………………………………….<br>**SIGNATURE(S) OF TENDERER(S)** |
| **SURNAME AND NAME**: ……………………………………………………….. |
| **DATE:** ……………………………………………………….. |
| **ADDRESS**: ……………………………………………………….. |
| ……………………………………………………….. |
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**Annexure A**

# GOVERNMENT PROCUREMENT

# GENERAL CONDITIONS OF CONTRACT

## NOTES

The purpose of this document is to:

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

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

- The General Conditions of Contract will form part of all bid documents and may not be amended.

- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if (applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

# TABLE OF CLAUSES

## General Conditions of Contract

**1. Definitions**

1. The following terms shall be interpreted as indicated:

1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.

1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.

1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.

1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.

1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.

1.7 “Day” means calendar day.

1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.

1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.

1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.

1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.

1.12 ”Force majeure” means an event beyond the control of the supplier and not involving the supplier’s fault or negligence and not foreseeable.

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

1.13 “Fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

1.14 “GCC” means the General Conditions of Contract.

1.15 “Goods” means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

1.16 “Imported content” means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.

1.17 “Local content” means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.

1.18 “Manufacture” means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

1.19 “Order” means an official written order issued for the supply of goods or works or the rendering of a service.

1.20 “Project site,” where applicable, means the place indicated in bidding documents.

1.21 “Purchaser” means the organization purchasing the goods.

1.22 “Republic” means the Republic of South Africa.

1.23 “SCC” means the Special Conditions of Contract.

1.24 “Services” means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.

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

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| **2. Application** | 2.1 | These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents. |
| | 2.2 | Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works. |
| | 2.3 | Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply. |
| **3. General** | 3.1 | Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged. |
| | 3.2 | With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za |
| **4. Standards** | 4.1 | The goods supplied shall conform to the standards mentioned in the bidding documents and specifications. |
| **5. Use of contract documents and information; inspection.** | 5.1 | The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance. |
| | 5.2 | The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract. |
| | 5.3 | Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser. |
| | 5.4 | The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser. |
| **6. Patent rights** | 6.1 | The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser. |
| **7. Performance security** | 7.1 | Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC. |

7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.

7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

(a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or

(b) a cashier's or certified cheque

7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

**8. Inspections, tests and analyses**

8.1 All pre-bidding testing will be for the account of the bidder.

8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.

8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.

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

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

**9. Packing**

9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

**10. Delivery and documents**

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

10.2 Documents to be submitted by the supplier are specified in SCC.

**11. Insurance**

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

**12. Transportation**

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

**13. Incidental services**

13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:

(a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
(b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
(d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

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

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

**14. Spare parts**

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

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

**15. Warranty**

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

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

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

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

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

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

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

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

**22. Penalties**

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

**23. Termination for default**

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

(a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;

(b) if the Supplier fails to perform any other obligation(s) under the contract; or

(c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

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

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

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

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

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

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

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

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

**24. Anti-dumping and countervailing duties and rights**

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

**25. Force Majeure**

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

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

**26. Termination for insolvency**

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

**27. Settlement of Disputes**

27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

27.5 Notwithstanding any reference to mediation and/or court proceedings herein,

(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
(b) the purchaser shall pay the supplier any monies due the supplier.

**28. Limitation of liability**

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

(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

**29. Governing language**

29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

**30. Applicable law**

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

**31. Notices**

31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice

31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

**32. Taxes and duties**

32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

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

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