sport, arts & culture
Department:
Sport, Arts and Culture
REPUBLIC OF SOUTH AFRICA

Private Bag X897, Pretoria 0001 – Sechaba House, 202 Madiba Street and Paul Kruger, Pretoria 0001
Tel: (012) 441 3000, Fax: (012) 441 3699

Enquiries : DSAC SCM Office

Tel : 012 441 3504/ 012 441 3173 Reference : **DSAC 13/24-25**

SUBJECT: APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE INTERNAL AUDIT SERVICES FOR THE DEPARTMENT OF SPORT, ARTS & CULTURE.

REQUIRED BY: DEPARTMENT OF SPORT, ARTS & CULTURE

1. Kindly furnish the Department with a bid for the services shown on the attached forms.

2. The General Conditions of Contract (GCC), Terms of Reference as well as the SBD1, SBD 3.1, SBD 4, and SBD 6.1, forms are attached for completion. These Forms must be returned with your bid.

3. Bid documents must be submitted on an envelope stipulating the following information: Name and Address of the Bidder

   Bid Number, and

   Closing Date of the Bid.

   Interested parties are requested to provide one original hard copy and one electronic copy (submitted in USB) of the original documents.

4. Bidders should deposit their bid documents into the tender box available on the ground floor Reception at the following address:

   Department of Sport, Arts and Culture, Sechaba House, 202 Madiba Street, Corner Paul Kruger and Madiba Street, Pretoria Central.

5. **Non-compulsory virtual briefing session on the following link**:

   Date and Time: 15 November 2024 at 11:00 am

   Link: https://shorturl.at/mIvv5

6. The tender's closing date is **02 December 2024 at 11:00 am**.

Signed by:Refilwe Matswaedi Zulu
Signed at:2024-11-08 14:12:21 +02:00
Reason:I approve this document

MS R ZULU

sports, arts & culture
Department:
Sports, Arts and Culture
REPUBLIC OF SOUTH AFRICA

DIRECTOR: SUPPLY CHAIN MANAGEMENT

sport, arts & culture
Department:
Sport, Arts and Culture
REPUBLIC OF SOUTH AFRICA

APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE INTERNAL AUDIT SERVICES FOR THE DEPARTMENT OF SPORT, ARTS & CULTURE

DESCRIPTION	REQUIRED AT
DSAC 13/24-15: Appointment of a Service Provider to provide Internal Audit Services for the Department of Sport, Arts & Culture. **For Technical Enquiries:** **The Procuring Unit** **Tel:** 082 476 8292 / 066 140 8505 **E-mail:** Raeesai@dsac.gov.za and/or Sunitar@dsac.gov.za **For Bid Enquiries** **DSAC Bid office** **Tel:** 012 441 3173 / 012 441 3504 **E-mail:** DsacTenders@dsac.gov.za	Department of Sport, Arts and Culture. The Tender documents will be available on: Social media platforms: **-Facebook@SportArtsCultureRSA** **Twitter@SportArtsCulture** **Instagram@SportArtsCultureRSA** Or obtainable from the **Department's website** and/or **www.etenders.gov.za** **Non compulsory Virtual briefing session** **Date:** 15 November 2024 **Time:** 11:00 AM **Link: https://shorturl.at/mlvv5**

SUBMISSION OF BIDS: The Department of Sport, Arts and Culture, Sechaba House, 202 Madiba Street, Pretoria Central.

SUBMISSION DUE DATE: 02 DECEMBER 2024 AT 11:00 AM. The Department does not have parking, therefore it is the responsibility of the bidder to arrange their own parking.

PART A
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF SPORT, ARTS AND CULTURE.					
BID NUMBER:	**DSAC 13/24-25**	CLOSING DATE:	**02 DECEMBER 2024**	CLOSING TIME:	**11.00 AM**
DESCRIPTION	**APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE INTERNAL AUDIT SERVICES FOR THE DEPARTMENT OF SPORT, ARTS & CULTURE.**				

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT *(STREET ADDRESS)*
DEPARTMENT OF SPORT, ARTS AND CULTURE
202 MADIBA STREET
PRETORIA
0001

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO		**TECHNICAL ENQUIRIES MAY BE DIRECTED TO:**	
CONTACT PERSON	**DSAC Bid 0ffice**	CONTACT PERSON	**DSAC Procuring Unit**
TELEPHONE NUMBER	**012 441 3173 / 012 441 3504**	TELEPHONE NUMBER	**082 476 8292 / 066 140 8505**
FACSIMILE NUMBER	**N/A**	FACSIMILE NUMBER	**N/A**
E-MAIL ADDRESS	**DSACTenders@dsac.gov.za**	E-MAIL ADDRESS	**Raeesai@dsac.gov.za / Sunitar@dsac.gov.za**

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

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

PART B
TERMS AND CONDITIONS FOR BIDDING

1.	**BID SUBMISSION:**
1.1.	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2.	**ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.**
1.3.	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4.	**THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**

2.	**TAX COMPLIANCE REQUIREMENTS**
2.1	BBIDDERS 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: …………………………………………...

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…**120……**DAYS FROM THE CLOSING DATE OF BID.

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

- 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

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

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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
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

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

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

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**

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

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**

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

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 (Specific goals 20 points)	Achievement Level	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
PROMOTION OF SMMES (RDP GOALS)		20	
Women	100% women ownership	6	
	75% - 99% women ownership	5	
	60% - 74% women ownership	4	
	51% - 59% women ownership	3	

	0 – 50% women ownership	0	
Black People	100% black ownership	7	
	75% - 99% black ownership	6	
	60% - 74% black ownership	5	
	51% - 59% black ownership	3	
	0 – 50% black ownership	0	
Youth	100% youth ownership	5	
	75% - 99% youth ownership	3	
	60% - 74% youth ownership	2	
	51% - 59% youth ownership	1	
	0 – 50% youth ownership	0	
People living with Disabilities	75% - 100% owned by persons living with disabilities	2	
	51% - 74% owned by persons living with disabilities	1	
	0 - 50% owned by persons living with disabilities	0	

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.

……………………………………….

SIGNATURE(S) OF TENDERER(S)

SURNAME AND NAME: ……………………………………………………….

DATE: ……………………………………………………….

ADDRESS: ……………………………………………………….

……………………………………………………….

……………………………………………………….

……………………………………………………….

sport, arts & culture
Department:
Sport, Arts and Culture
REPUBLIC OF SOUTH AFRICA

TERMS OF REFERENCE

DSAC 13/2024-2025

APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE INTERNAL AUDIT SERVICES FOR THE DEPARTMENT OF SPORT, ARTS & CULTURE

CLOSING DATE AND TIME OF BID:

02 DECEMBER 2024

NON-COMPULSORY VIRTUAL BRIEFING SESSION:

15 November 2024 AT 11H00-12H00

LINK: https://shorturl.at/mlvv5

VALIDITY PERIOD: 120 DAYS

APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE INTERNAL AUDIT SERVICES FOR THE DEPARTMENT OF SPORT, ARTS & CULTURE

1 INTRODUCTION

The DSAC seeks to appoint a qualified service provider to assist with the provision of internal audit services, i.e. Risk Based audits, Performance audits, IT audits, Infrastructure/Construction audits, Ad-hoc audits and Advisory services in the Department, including skills transfer to the current Internal Audit team and quality assurance reviews.

2 BACKGROUND

The DSAC has an Internal Audit function established in line with the Public Finance Management Act, 1999 (Act 1 of 1999 as amended) [PFMA section 38 (1) (a) (ii)]; and in terms of Treasury Regulation 3.2.

Treasury Regulation 3.4.2 states that: "An internal audit function may be partly or wholly contracted to an external organisation with specialist audit expertise, provided that its selection is in accordance with the relevant government's competitive tendering procedures".

Internal Audit is an independent, objective assurance and advisory service designed to add value and improve the Department's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The main objective of the Department's Internal Audit Directorate is to provide assurance and advisory services in the Department through the execution of audit and advisory reviews; and disseminating results to the management of the Department, i.e. assurance and or recommendations for implementation of corrective internal controls/actions for improvements

The capacity of the Internal Audit Directorate in the Department alone currently, is not adequate to deliver on its mandate and objectives, hence the need for an Internal Audit service provider to supplement and build capacity and transfer skills to the team.

The overall objective of co-sourcing audit services is to assist the office of the Chief Audit Executive in executing the Department's three-year and annual operational risk-based plans, in so doing providing assurance to the Department on the achievement of its strategic outcomes and operations as well as other Internal Audit responsibilities within the Department.

These Terms of Reference describe the objectives, scope of work, deliverables, roles and responsibilities, and time frame/period for this project.

The provision of the internal audit services referred to above will be for a period of three (3) years covering the 2025/26 to 2027/28 financial years.

3 TASK DIRECTIVE

The Department of Sport, Arts & Culture requires the services of a duly experienced and knowledgeable Internal Audit service provider in undertaking the following tasks:

	TASKS	*YES/NO/ NOTED*
3.1	**SCOPE AND DELIVERABLES**	
	a) Review and appraise systems of internal control and management systems throughout the Department, in the following areas but not limited:	

	TASKS	*YES/NO/ NOTED*
	• The information systems environment (including IT Governance, Cyber Security, IT General and Application Controls); • The reliability and integrity of financial and operational information; • The effectiveness of operations; • Safeguarding of assets; • Compliance with laws, regulations and controls; • Achievement of established strategic and operational goals and objectives; • Reliability, usefulness and integrity of performance information; • The economical and efficient use of resources – value for money; • Furnish the Audit Committee and Management with analyses, appraisals, recommendations, counsel and information concerning the activities reviewed and regular follow up, thereby assisting them with the effective discharge of their responsibilities. b) Evaluate and develop recommendations for the enhancement or improvement of the processes through which objectives and values are established and communicated; the accomplishment of objectives is	

	TASKS	*YES/NO/ NOTED*
	monitored; accountability is ensured; and corporate values are preserved. c) Perform any other audit work as may be deemed necessary by the Chief Audit Executive, Management of DSAC and, or Audit Committee (AC) that could be outside the scope of the approved internal audit plan(s), i.e. ad-hoc and advisory audit assignments, such work being subject to prior approval by the Audit Committee. d) Report to the Audit Committee in writing regularly on the scope of reviews of good governance and any significant findings. The report(s) will be tabled at Executive Management meetings and to the Audit Committee. e) Work proactively with management to contribute to the success of the Department without compromising the required independence. f) Implement a strategy for capacity building and transfer of skills to existing Internal Audit staff within the DSAC; g) Coordinate work with other assurance providers – internal and external.	

	TASKS	*YES/NO/ NOTED*
3.2	**PERFORMANCE REQUIREMENTS ON THE SCOPE IN 3.1 ABOVE (OUTCOME METHOD)**	
	a) Performance of Audit Assignments Assignments are to be performed using the DSAC's internal audit approach/methodology which should be risk-based, and in accordance with the Standards for the Professional Practice of Internal Auditing determined by the Institute of Internal Auditors of South Africa (IIA, SA); and aligned to the DSAC's current Internal Audit Methodology. Each assignment should consist of all the phases of the audit process. **b) Internal Audit Working Papers** All working papers must be made available within five (05) working days after completion of the assignment to the Department (Office of the Chief Audit Executive). The working papers should also be made available to the Audit Committee and the Auditor-General of South Africa on request. **c) Reports on Audit and Advisory Assignments** All internal audit reports developed should be in line with the IIA Standards (i.e. contain all elements of findings); should be communicated to the responsible line; senior; and executive management (branch heads) prior to being tabled to the Audit Committee for oversight.	

	TASKS	*YES/NO/ NOTED*
	Internal Audit report(s) should include root causes as identified by management, management comments and an action plan with implementation dates developed by management, in line with recommendations made to address the findings raised as well as the auditor's conclusion on each finding. **d) Timing of Assignments** The Audit Committee shall approve the three year and annual/operational internal audit coverage plan before implementation in consultation with the Accounting Officer of the Department. Individual Audit Programs/Implementation plans shall be discussed/ presented to the Chief Audit Executive for endorsement prior to the audit assignment commencing to ensure consistency with the annual internal audit plan. The execution of each assignment that is not in the internal audit coverage plan shall be approved by the Audit Committee (post Audit Committee's agreement and consultation with Executive Management through facilitation by the Chief Audit Executive) before work is due to commence. **e) Quality Assurance Reviews** The successful Bidder shall ensure that all work conforms to the IIA's Quality Assurance Standard (Standard 12.1). **f) Independence and Objectivity of Internal Audit Staff**	

	TASKS	*YES/NO/ NOTED*
	In carrying out the audit work, the successful bidder must ensure that its staff maintains individual objectivity by remaining independent of the activities they perform. The service provider shall: • Have no executive or managerial powers, functions or duties except those relating to the project. • Not be involved in the day-to-day operations of the Department. • Staff of the service provider will be expected to make formal written disclosure(s) of any potential impairment to independence or objectivity relating to their responsibilities to the Chief Audit Executive on each audit assignment/consulting review, whether or not they exist. **g) Monitoring Progress of Assignments** The successful bidder shall report as follows: • Weekly to the Chief Audit Executive on audit activities to monitor progress; including also as and when it would be necessary to report on progress. • Submit internal audit reports on completed audit assignments to the Chief Audit Executive prior to tabling to Management; Risk Committee and the Audit Committee.	

	TASKS	*YES/NO/ NOTED*
	• Quarterly to the Executive Management Team and the Audit Committee to report and present both progress of the work as well as on results of audit and advisory assignments.	
3.3	**OBJECTIVE**	
	To appoint a qualified service provider to provide identified internal audit services in the Department, including skills transfer to the current Internal Audit resources in line with the scope outlined above.	
3.4	**OUTPUTS**	
	a) Audit Working Papers in line with the IIA Standards (from the execution of approved internal audit assurance and advisory assignments). b) Internal Audit Reports on internal audit assignments and advisory assignments in line with the IIA Standards (in line with the DSAC's internal audit methodology) for the following audits, but not limited to: i. Risk Based Audits ii. Information and Communication Technology iii. Infrastructure/Construction audit iv. Performance Audit. v. Ad-hoc and Consulting Reviews	

	TASKS	*YES/NO/ NOTED*
	c) Be available to table Internal Audit Reports to the Audit Committee; and to Executive Management when required. d) A strategy for capacity building and transfer of skills to existing Internal Audit staff within the DSAC. e) Maintain minutes of the Project Meetings held between the service provider and DSAC Internal Audit on Project Management and progress thereof. f) Maintain minutes on the Coordination of work conducted with other assurance providers – internal and external. g) The successful Bidder shall ensure that all work conforms to the IIA's Quality Assurance Standard (Standard 12.1).	
3.5	**Team Members / Resources**	
	This project requires a minimum of the following resources: a) 1 Partner with at least one of the following qualifications (Certified Internal Auditor (CIA); Certified Information Systems Auditor (CISA); Chartered Accountant (CA-SA); b) 1x Senior Manager with at least one of the following qualifications (CIA/CA-SA; CISA and is also a Certified Quality Assurance Provider);	

	TASKS	*YES/NO/ NOTED*
	c) 2x Managers with at least one of the following qualifications (Post Graduate Degree, Degree/Diploma in Internal Auditing/Auditing, and is also a CIA); d) Intermediate, Junior and Specialist as required with at least one of the following qualifications (Post Graduate Degree, Degree/Diploma in Internal Auditing/Auditing, CIA qualification will be an added advantage); Prospective service providers are required to submit proposed team members detailing the team member's qualifications and experience (Curriculum Vitae). All certificates (academic and professional) must be certified as true copies of the originals. All qualifications will be verified with SAQA prior to the appointment of the successful service provider. Should any of the team members exit the project/employment of the service provider, a replacement with similar experience and qualifications must be provided; and a hand-over process must be maintained, and communication of such changes should be communicated to the Department within at least 5 days of the termination of service. Prospective service providers must ensure that junior staff, who will be part of the team possess the necessary and relevant skills, experience and qualifications.	

	TASKS	*YES/NO/ NOTED*
	The Company and the minimum project team above should be registered with the relevant professional associations/bodies (i.e. IIA-SA, SAICA and CISA to name but a few). Proof to be attached.	
3.6	**Capacity Building and Skills Transfer**	
	Prospective bidders, in pursuit of sustainable, mutually beneficial engagements are requested to indicate a clear plan on how they will be able to implement skills transfer to internal staff members. The skills transfer should take into account the following: a) On the job training where training needs are identified (skills assessment); b) Engagement reviews/assessments for each deliverable, On-going technical updates; c) Mentoring: this entails the mentoring of the Internal Audit teams, by seniors, and most importantly, at the report writing stage, i.e. reports will be prepared by the team members and reviewed by the high-level resources responsible for quality control.	
3.7	**TIME FRAME**	
	The service provider will be appointed for a three-year period starting from date of appointment.	

	TASKS	*YES/NO/ NOTED*
3.8	**REVIEW OF THE APPROVED INTERNAL AUDIT PLAN AND IMPLEMENTATION PLAN**	
	Upon appointment, the service provider should work with the Chief Audit Executive to note the current approved internal audit plan, to work and plan for the execution thereof.	
3.9	**FINANCIAL ARRANGEMENTS**	
	The service provider must stipulate the maximum ceiling price to be charged for the full contract (3 years). The service provider must demonstrate in a detailed budget how the total amount was reached. All pricing should be firm and VAT inclusive and the quoted contract amount must include: a) *Related assumptions and detailed make up; and* *b)* *Fees* must be quoted at an all-inclusive rate for the different levels of proposed resources, i.e. Partner, Project Leader/Director, Audit Manager, Senior, Intermediate and Junior Auditors etc. *c) Costing should include all disbursements.* *NB: Services will be required for audit services to be rendered at the National Office in Pretoria.* The service provider is also required to quote the estimated number of hours and cost for each audit area as specified in **Annexure A** attached.	

	TASKS	*YES/NO/ NOTED*
	The service provider should be aware that DSAC only pays after the services have been rendered. Payments will be made by the Department after the service provider has submitted an invoice supported by all requisite documents i.e. Final signed off Internal Audit Report and Quality assured working paper file. Prices must be firm for the duration of the contract and should be stipulated in the budget.	

4. EVALUATION STAGES

4.1 The bid evaluation process consists of several stages that are applicable as defined in the table below:

Stage	**Description**	**Applicable for this bid**
Stage 1	The initial screening process to check compliance with bid requirements.	Yes
Stage 2	Functionality requirement evaluation.	Yes
Stage 3	Price versus points awarded for specific goals	Yes

4.1.1 Stage 1:

Verification of service provider (s) compliance with bid requirements and initial screening process.

4.1.2. Stage 2:

The Technical proposal will be evaluated out of 100 points with a threshold of 70 points. Bidders that score less than a minimum of 70 points will be disqualified. Bidders must score a minimum of 70 or more points to qualify for further evaluation on price and preference points.

4.1.3. Stage 3:

Bids will then be evaluated in accordance with the prescripts of the Preferential Procurement Policy Framework Act (PPPFA) and the associated Preferential Procurement Regulations of 2022, which stipulate an 80/20 preference point system is applicable up to a rand value below R50 million (all applicable taxes included).

- The following criteria will be used as the criteria for appointment, apart from those laid down in the Preferential Procurement Regulations, 2022, pertaining to the Preferential Procurement Policy Framework Act 5 of 2000. Bidders are required to submit the following proof/documentation to claim points for specific goals:
  - Ownership Certificate issued by the Companies and Intellectual Property Commission (CIPC) that shows ownership percentage (e.g. Beneficial ownership, CK ...etc) and
  - BBBEE certificate or Sworn affidavit

Failure to submit the required documents will result in 0 points for specific Goals.

Points will be awarded as follows:

No	Components	Points
1.	Price	80
2.	Points awarded to a specific goal as per the SBD 6.1. attached to this bid	20
	Total	**100**

5. EVALUATION PROCESS

5.1. Bids will then be evaluated in accordance with the prescripts of the Preferential Procurement Policy Framework Act (PPPFA) and the associated Preferential Procurement Regulations of 2022, which stipulate an 80/20 preference point system is applicable up to a rand value of R50 million (all applicable taxes included). The lowest acceptable bid will score 80 points for price and the remaining 20 points will be awarded to a specific goal as per the SBD 6.1. attached to this bid.

5.2. Prospective bidders will have to score at least 70 out of 100 points allocated for functionality before the company's proposal will be considered for pricing.

5.3. For purposes of comparison and in order to ensure meaningful evaluation, bidders are requested to furnish detailed information in substantiation of compliance to the evaluation criteria mentioned below.

6. EVALUATION CRITERIA

The bidders will be evaluated on the following criteria:

	Criteria	Weight	Value Rating Points	TOTAL
6.1.	**Bider's Experience**: Appropriate experience of the bidder with a minimum of 5 years in the Public Sector (i.e. National Departments/Provincial Departments/ PFMA Institution). Experience must be supported by confirmation/ reference letters from the relevant National Departments/Provincial Departments/ PFMA Institution detailing the types of internal audit projects and	**10**	0 – 4 years = 0 points 5 – 8 years = 5 points 9 – 12 years = 8 points 13 and above years = 10 points	

	Criteria	Weight	Value Rating Points	TOTAL
	services performed and the period over which these services were rendered. A minimum of at least 5 recent contactable references within the Public Sector (i.e. National Departments/Provincial Departments/ PFMA Institution) must be provided.			
6.2.	Bidder's understanding of the brief and expectations of the Department a) Proposed approach to the Department's Internal Audit mandate, i.e. Proposed approach and methodology for the execution of audits.	**20**	1 - 5 =Poor 6 - 9 =Average 10 – 14 = Good 15 - 20 = Excellent	
6.3.	Level of **experience and qualification** of the audit team that will be directly involved with the project: Audit Team members should be permanent residents of the country and/or naturalised South Africans. *[Number of years of experience of individual team members in Internal Auditing; Leadership & Supervision, Proficient computer literacy, Exceptional report writing, Presentation Skills, Analytical thinking, Ability to assess and analyse information and make relevant findings, Problem solving skills and Ability to influence others, Conflict management, Project Management, Knowledge of the IIA Standards and applicable regulations; Proficiency in Performance Audits, Information and Communication Audits and Value for Money audits and Monitoring and Evaluation (verification of deliverables); etc.]* ***NB: CV/Profile for each team member to be attached.***			

	Criteria	Weight	Value Rating Points		TOTAL
	The bidder should commit that the team presented to DSAC Internal Audit is in line with the proposal submitted, and team members who exit their employment will be substituted with team members with similar experience and qualifications. Junior resources (Internal Auditors), who will be part of the team, must possess appropriate skills, experience and qualifications). *The Department reserves the right to verify referees included in the staff member's CVs, and all qualifications must be SAQA accredited.* **The bidder should clearly include in its staffing schedule provided, the total number of staff per level that will be allocated to DSAC Internal Audit as the core team.** *Experience will not relate to the company or but specifically to the team members in the firm.* **Weight = 40**				
	Partner/Engagement Director x1 (Number of years)	**5**	1- 3 Yrs	= 2 points	
			4 – 5 Yrs	= 3 points	
			6 Yrs & above	= 5 points	
	Partner/Engagement Director x1 (Qualifications)	**5**	**CIA**	= 5 for any of the 4	
			CA		
			CISA		
			CRM Prac SA		
	Senior Audit Manager (Project Manager) X1 (Number of years)	**4**	1 – 3 yrs	= 1 point	
			4 – 5 yrs	= 2 points	
			6 yrs & above	= 4 points	
	Senior Audit Manager (Project Manager) X1 (Qualifications)	**4**	**CIA**	= 4 for any of the 4	
			CA		
			CRM Prac SA		
			CISA		
	Audit Manager x1 (Number of years)	**3**	1 – 3 yrs	= 1 point	
			4 – 5 yrs	= 2 points	
			6 yrs & above	= 3 points	
	Audit Manager x1 (Qualifications)	**3**	**CIA**	= 3 for any of the 2	
			Post Grad: IA		
			1 – 3 yrs	= 1 point	

	Criteria	Weight	Value Rating Points		TOTAL
	Audit Manager IT x1 (Number of years)	**3**	4 – 5 yrs	= 2 points	
			6 yrs & above	= 3 points	
	Audit Manager IT x1 (Qualifications)	**3**	**CISA** **CIA**	= 3 for any of the 2	
	Senior Internal Auditor X2 (Number of years)	**2**	1 – 3 yrs	= 1 point	
			4 yrs and above	= 2 points	
	Senior Internal Auditor X2 (Qualifications)	**2**	**Deg: IA** **Post Grad: IA**	= 2 for any of the 2	
	Specialist(s) as required (Number of years)	**3**	1 – 3 yrs	= 1 point	
			4 – 5 yrs	= 2 points	
			6 yrs & above	= 3 points	
	Specialist(s) as required (Qualifications)	**3**	Performance Audit Infrastructure Audits Advisory Services	= 3 for any of the 3	
6.4.	**Capacity Building and Skills Transfer** The bidder should provide detailed approach: a) On the job training where training needs are identified (skills assessment); b) Engagement reviews/assessments for each deliverable, On-going technical updates; c) Mentoring: this entails the mentoring of the Internal Audit teams, by seniors, and most importantly, at the report writing stage, i.e. reports will be prepared by the team members and reviewed by the high-level	**15**	non-mentioning of the skills transfer = 0 Only one of the three criteria is clearly outlined = 5 Only two of the three criteria are clearly outlined = 10 All three criteria items are clearly outlined = 15		

	Criteria	Weight	Value Rating Points	TOTAL
	resources responsible for quality control.			
6.5	Perform Quality Assurance Assessment on all completed Internal Audits (including audits completed in-house) as part of the DSAC Internal Audit Quality Assurance Improvement Plan which will assist the Department with the preparation of its External Quality Assurance.	**15**	0 – 4 Poor 5 – 9 Average 10 - 15 Excellent	
	Total	**100**		
	Minimum Functionality Score	**70**		

7. BID REQUIREMENTS

The following is required of bidders and should be submitted to the department as part of the bid submission:

7.1. General requirements

The following is required of bidders and should be submitted to the department as part of the bid submission:

7.1.1. Company profile.

7.1.2. All Bidders must be registered on the National Treasury Central Supplier Database (CSD) and must attach a copy of the most recent report to the tender document.

7.1.3. The tax status on CSD must be compliant, as Department is unable to award a contract to a company whose tax affairs are not in order as determined by SARS. A recommended bidder whose tax matters have expired, or compliance status is invalid will be notified in writing of their non-compliance status and the bidder must be requested to submit written proof from SARS of their tax compliant status or proof that they have made an arrangement to meet their outstanding tax obligations within 7 working days. The bidder should thereafter provide the Department with proof of their tax compliant status which should be verified via CSD.

7.1.4. Original Company Resolution or Letter of authority or Letter of appointment authorizing the signatory of the Entity to sign the contract with the Department.

7.1.5. Valid contact details including e-mail address.

7.1.6. Certified ID copies of all Directors.

7.1.7. Reference letters must be provided, as well as an indication of experience with similar projects.

7.1.8. Bidders are requested to provide one original hard copy and one electronic copy (submitted in USB)of the original document.

7.1.9. Any other details that may be relevant in respect of the tender evaluation criteria.

7.1.10. All bidders are required to submit details of Shareholder status as follows:

- Shareholder certificates with the names of Directors and percentage of ownership.
- Identity Documents of all Shareholders.

7.2. Technical Requirements

7.2.1. A detailed proposal including:

a) Project plan;
b) Project Implementation plan;
c) Internal Audit capacity and experience (ICT, Performance, Infrastructure etc);
d) Number and level/ranks of team member/s to be involved in the assignment;
e) CVs of all involved (including but not limited to: qualifications and experience and level of expertise/current designation; relevant professional membership. The successful bidder shall ensure that the

team presented to DSAC Internal Audit is in line with the proposal submitted; and

f) Certificate of External Quality Assurance Review having being performed on their organization with positive results to be enclosed as proof.

7.2.2. Companies, who registered for VAT, should include VAT on their costing. Price schedules Including VAT, which must be submitted separately, in accordance with the staffing category of the bidder/audit team. The price quoted shall be firm/ fixed for the contract period (including any inflation adjustment for the duration of the contract, and must be inclusive of VAT.

7.2.3. A logical breakdown of the work to be performed, with a cost breakdown attached to each element, *i.e. indicate the extent to which team members will be involved in the project, i.e. time distribution for members of the audit team on a job of this nature. This should be expressed in percentages of the total person-hours billed on a typical job. It is further recognised that it is difficult for bidders to be firm about the extent of the work based solely on the terms of reference; and this is solely to assist the evaluation of the bid.*

7.2.4. General information about the size of the contracting firm in terms of staff complement and turnover.

7.2.5. Any other details that may be relevant in respect of the tender evaluation criteria.

8. CONFIDENTIALITY

8.1. Ownership and copyright of all documentation developed during the period of the contract will be vested in the National Department of Sport, Arts & Culture.

8.2. No information or documentation may be used for any other purpose other than providing for a tender proposal to the Department, and no copies of any document may be made, except with prior written approval from the Department.

9. INTELLECTUAL PROPERTY AND OWNERSHIP

9.1. All intellectual property rights relating to any work produced by the service provider in relation to the performance of this contract shall belong to the Department and may not be used for any other purpose by the service provider. The service provider shall provide the Department with all the necessary assistance in protecting such intellectual property rights. All material, in paper, electronic or any recorded format produced by the service provider in the performance of this contract shall remain the property of Sport, Arts & Culture and must be handed over to the Department on termination of the contract.

9.2. All service providers undertake not to infringe the intellectual property of third parties. Should any action or claim be instituted against the Department emanating from an infringement of intellectual property or an alleged infringement of intellectual property, the service providers hereby indemnify the Department against such claims or actions as well as all costs (including legal costs on an attorney and client scale).

10. POPIA COMPLIANCE

10.1. The successful bidder should comply with the Protection of Personal Information Act (POPI Act).

11. CLOUD COMPUTING

11.1. The successful bidder should not share any of the Departmental information on the cloud.

12. CONTRACTUAL ARRANGEMENT

12.1. The service provider is required to enter into a Service Level Agreement with the Department of Sport, Arts & Culture to perform all functions as set out in the project Specification or Terms of Reference.

13. FINANCIAL IMPLICATIONS

13.1. Payments will be done within 30 days of receipt of an invoice with all required supporting documents as per the Service Level Agreement;

14. BRIEFING SESSION

14.1 A Non-compulsory virtual briefing session will take place as follows:

Date: 15 November 2024

Time: 11:00AM

Link: https://shorturl.at/mIvv5

15. PACKAGING OF BID SUBMISSION OF BIDS DOCUMENTS

15.1 Bidders should deposit their documents into the tender box available on the ground floor reception are at the following address:

Department of Sport, Arts and Culture

Sechaba House (Former VWL Building)

202 Madiba Street.

Closing date: 02 DECEMBER 2024

Closing time: 11:00am

15.2 All bidders must correctly complete a compulsory bid register when submitting bid documents. Bid register is available at the above-mentioned address.

15.3 Please arrange the Standard Bidding Documents (SBDs) in your submission numerically and orderly.

15.4 Bid documents received after the closing date and time will not be considered.

15.5 Bidders are advised to ensure that bids are submitted allowing sufficient time for any unforeseen events that may delay the delivery of the bid and time to access the premises because of security arrangements when entering the department's main entrance.

15.7. Bidders are requested to provide one original hard copy and one electronic copy (submitted in USB) of the original document

16. **LATE BIDS**

16.1. Bids documents should be submitted before 11:00 on the **02 DECEMBER 2024,** closing date of the tender. No late bid will be accepted.

17. **BID AND TECHNICAL ENQUIRIES / CLARIFICATION OF TENDER DOCUMENTS**

17.1. The Department will respond by email to any request for clarification of the tender documents which it receives **no later than one (1) week prior to the deadline for submission of bids prescribed by the Department.** All enquiries related to the technical content of the Terms of Reference as well as the bid enquires may be directed **in writing** to the officials listed below:

For Bid Enquiries
DSAC Bid Office
Tel: 012 441 3504 / 012 441 3173
Email: DSACTenders@dsac.gov.za
For Technical Enquiries:
DSAC Procuring Unit
Tel: (012) 441 3724 / 082 476 8292
Email: Raesai@dsac.gov.za / Sunitar@dsac.gov.za

Should the service provider have reason to believe that the Terms of reference are structured for a particular brand or service provider, they should raise the objection in writing with the Department within 10 days from the placement of the advert in the Tender Bulletin.

Annexure A:

Proposed Internal Audit Projects *[Note should be taken that the list of audits below is based on historic requirements; and whilst effort has been made to indicate the precise audits that will be required; it is subject to change to some extent since some audits are informed by the risk profile of the Department]*

Audit Area	Frequency	High Level Scope
1. Risk Based Audits	Average 5 per year	• Review the adequacy and effectiveness of controls as per the identified risk-based audit areas.
2. IT Audit(s)	Annual	• Review the adequacy and effectiveness of controls as per the identified risk-based audit areas. • IT Governance, Cyber Security, Disaster Recovery, Business Continuity Management, ICT Strategy Review
3. Infrastructure/Construction Audits	Annual	• Review the adequacy and effectiveness of controls within the Infrastructure Projects. • Review compliance with relevant Legacy Project frameworks and manuals. • Site visits/Physical Verification of projects on sites for audit projects where the scope includes such
4. Performance Audits	Average 2 per year	• Value for Money Audits focusing on Economy, Efficiency and Effectiveness of the Programmes in accordance with Government Policy and Legislation.

Audit Area	Frequency	High Level Scope
5. Ad-hoc Reviews	Average 2 per year	• To be determined upon request from Management and approval by the Audit Committee
6. Advisory Review	Average 2 per year	• To be determined upon request from Management and approval by the Audit Committee •
7. Project Management and Project Meetings	On-Going	• Meetings with Internal Audit Management
8. AC Meetings Preparation and Attendance	Quarterly	• Preparation of Reports & Presentations in preparation for Audit Committee Meetings; and • Attendance of AC Meetings (including presentation where necessary)

THE NATIONAL TREASURY

Republic of South Africa

GOVERNMENT PROCUREMENT:

GENERAL CONDITIONS OF CONTRACT

July 2010

GOVERNMENT PROCUREMENT

GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

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

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

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

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

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.

2. Application

2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.

2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.

3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

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

5. Use of contract documents and information; inspection.

5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.

5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.

5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights

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

7. Performance security

7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

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

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

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

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

8. Inspections, tests and analyses

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

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

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

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

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

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

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

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

9. Packing

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

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

10. Delivery and documents

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

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

(a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
(b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

(d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

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

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

14. Spare parts

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

(a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and

(b) in the event of termination of production of the spare parts:

(i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and

(ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

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

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

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

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

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

16. Payment

16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.

16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.

16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.

16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices

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

18. Contract amendments

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

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier's performance

21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.

21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.

21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier’s point of supply is not situated at or near the place where the supplies are required, or the supplier’s services are not readily available.

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

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

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

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

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

25. Force Majeure

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

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

26. Termination for insolvency

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

27. Settlement of Disputes

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

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

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

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

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

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

28. Limitation of liability

28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;

(a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

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

29. Governing language

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

30. Applicable law

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

31. Notices

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

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

32. Taxes and duties

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

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

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

33. National Industrial Participation (NIP) Programme

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

34 Prohibition of Restrictive practices

34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).

34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

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