MPUMALANGA PROVINCIAL GOVERNMENT

DEPARTMENT OF CO-OPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS

BID NUMBER: CGT/078/24/MP

APPOINTMENT OF ONE OR MORE SERVICE PROVIDER/S FOR DEBT COLLECTION SERVICES WITHIN THE MPUMALANGA PROVINCE FOR A PERIOD OF THREE (03) YEARS

ISSUED BY:

Department of Co- Operative Governance & Traditional Affairs
Private Bag X11304
Mbombela
1200

NAME OF BIDDER: ....

TOTAL BID PRICE (all inclusive) :...
(Also in words): ....
..

This document must remain the original when submitted, no copies will be accepted

PART A
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF CO- OPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS					
BID NUMBER:	CGT/078/24/MP	CLOSING DATE:	19 JULY 2024	CLOSING TIME:	12H00
DESCRIPTION	APPOINTMENT OF ONE OR MORE SERVICE PROVIDER/S FOR DEBT COLLECTION SERVICES WITHIN THE MPUMALANGA PROVINCE FOR A PERIOD OF THREE (03) YEARS				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT *(STREET ADDRESS)*					

MBOMBELA, Riverside Government Complex, Building No 9, Government Boulevard, Mbombela, 1200, **PIET RETIEF,** No. 11 Measroch Street, Piet Retief Office, **KWAMHLANGA,** KwaMhlanga Government Complex, Department of Finance, Building No. 12, Computer Centre **EVANDER,** 10 Cornell Road (previously occupied by Evander Home Affairs Offices), Evander, 2280, **BUSHBUCKRIDGE,** Bushbuckridge Advice Centre, Department of Finance, Protea building (old Telkom building), **MIDDELBURG,** Department of Public Works, Cnr. Lillian Ngoyi and Dr Beyers Naudé Streets – Old TPA Building, Upper ground floor, Office numbers A20, 21 and 25, **MALELANE,** 24 Air Street, Malelane, **ELUKWATINI** ,Elukwatini Sub Regional offices, Office numbers A49 and A50 (opposite Elukwatini Community Hall) Stand number 12 Extension A, Elukwatini.

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO		**TECHNICAL ENQUIRIES MAY BE DIRECTED TO:**	
CONTACT PERSON	Mr. S Kunene	CONTACT PERSON	Mr. EE Sibiya
TELEPHONE NUMBER	013 766 6591	TELEPHONE NUMBER	013 766 6969
FACSIMILE NUMBER		FACSIMILE NUMBER	
E-MAIL ADDRESS	skunene@mpg.gov.za	E-MAIL ADDRESS	esibiya@mpg.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
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	☐Yes ☐No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES 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, 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: ……………………………

TERMS OF REFERENCE FOR THE APPOINTMENT OF ONE OR MORE SERVICE PROVIDERS FOR PROFESSIONAL DEBT COLLECTION SERVICES WITHIN THE MPUMALANGA PROVINCE FOR A PERIOD OF THREE YEARS AS AND WHEN REQUIRED

co-operative governance
& traditional affairs
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

1. BACKGROUND

The Department of Co-operative Governance and Traditional Affairs. Mpumalanga Province invites bids from suitable qualified service providers to render professional debt collection services to the relevant Municipalities in the Mpumalanga Province.

The successful bidder will be appointed for a period of three (03) years. The successful bidder will be expected to commence rendering services to the Province from the date as agreed with the Department.

The debt collection services will include among other: Supply Municipal Services like water, sanitation, electricity, rates and taxes. .

2. OBJECTIVES OF THE PROJECT

Rendering of professional debt collection services for various Municipalities within the Mpumalanga Province.

3. ROLE OF COGTA

The Department will be responsible for monitoring and evaluation of the project through the Office of the Chief Financial Officer together with programme: Local Governance. The Department will co-ordinate meetings and the service provider or a delegate from the project team members must attend all meetings.

4. ROLE OF MUNICIPALITIES

The Municipalities will be invoicing all service charges and service fee arising from all accounts to Customers and rendering revenue management services related thereto. Hand over outstanding accounts. Action against non-compliance by service providers on non-collection of outstanding debts.

The Municipality will provide a screened monthly list of accounts that are in arrears, for a period exceeding 90 (ninety) days, to the Service Provider as well as debtor's contact details, if possible and the description of the property.

5. KEY PERFROMANCE AREAS

The duties of the Service Provider (Key Performance Indicators) for the duration of the Agreement will be the following:

5.1 the Service Provider shall collect outstanding debt amounts form defaulters in the Municipality as and when instructed in writing by the Department.

5.2 The Service Provider will be at times be registered member of the Debt Collectors Council and will provide proof thereof as and when requested by the Department or the Municipality.

5.3 The Service Provider must provide the Project Manager and/or the Municipality with monthly reports regarding each account handed over for debt collection.

5.4 No cash payments are to be recovered by the Service Provider. All cahs must be paid into the Municipality's bank account directly without exception.

5.5 The Service Provider will provide the Project Manager and/or the Municipalty with its work procedures regarding debt collection as and when requested by the Project Manager and/or the Municipality.

5.6 Should no payment on handed over account be received by the Municipality after a period of one twenty (120) days from the date of the handover to the Service Provider, the account will be withdrawn from the Service Provider.

5.7 The Service Provider must be available during office hours, as and when required to assist with handed over accounts for the duration of the Agreement. It is recorded that the cost of such assistance is included in the collection commission tendered by the Service Provider, which will not be payable in the event that no recovery is made within the above-mentioned item period.

5.8 With regard to the management of debtor account structures, the Service Provider will utilize the unique account/reference number as provided by the Municipality. The Service Provider will instruct debtors or consumers to use the unique account/reference number allocated by the Municipality as reference when making payment into the Municipality's bank account with details as follows:
Account holder:
Bank:
Branch code:

5.9 It is agreed that all payments received by the Municipality pursuant to the debt collection efforts by the Service Provider will be allocated against the oldest debt first.

6. SCOPE OF WORK

In accordance with the above-mentioned Terms of Reference the Service Provider shall provide the following Services, as and when requires and instructed in writing by the Department:

6.1 Tracing all handed-over debtors/
6.2 Locate debtors and information needed to succeed in recoveries.
6.3 Obtain outstanding information from debtors where possible.
6.4 Setting up and maintaining debtor's files.
6.5 Reporting on a monthly basis on the status of the various debtors handed over for collection as well as the successful collection of the capital amount collected.
6.6 Provision of a service which is expedient, economical and feasible backed by resources and appropriate technology.
6.7 Offer professional services and on-going support e.g. dedicated account manager.
6.8 Negotiate and manage repayment plans.
6.9 Conduct a recovery services by collecting and recovering all outstanding monies by means of telephonic as well as written communication.
6.10 The service provider must request debtors to make payment by utilizing the identified payment mechanisms as stipulated by the Municipality.
6.11 Submit all relevant enquiries and requests obtained from the debtors in respect of the debts outstanding.
6.12 Keep full and proper books of accounts and records showing clearly all enquiries, transactions and proceedings as updated on the various databases of the Service Provider.
6.13 Submit monthly reports including updated debtor age analysis regarding the status quo of the debtors.
6.14 Preparation of reports according to the time frames.
6.15 Implement debt collection on Customer's arrear debts, i.e. unpaid after due date, as may be approved by the Municipality from time to time in accordance with it's rates, credit control and debt collection and tariff policies as follows:

- 6.15.1 Perform indigent audits as prescribed by the Municipality from time to time
- 6.15.2 Identify and evaluate possible write-offs of outstanding debt.
- 6.15.3 Log and report meter-related to the Municipality.
- 6.15.4 Debt management services including:

a) Debtor identification through an arrears extract or preferably through an interface with the Municipality's systems.
b) Filtering arrears information for import into the Service Provider's system.
c) Issuing of reminders to customers of their outstanding debt, by means of telephone, SMS's, E-mail, telegram or fax.
d) Issuing 24-hour notices of debtors.
e) Identify and inform the Municipality of meters to be blocked.
f) Daily preparation of disconnection/reconnection order for water and electricity.
g) Handling all logistical matters in term of the physical disconnection and reconnection of defaulters and in this respect the Service Provider will at all times employ persons with the relevant qualification and experience and prescribed by the applicable legislation to undertake this work.

h) Maintain record of relevant Municipal charges and submit these to the Municipality for upload into its systems in a format to be agreed-preferably as a seamless interface.
i) Negotiating acceptable payment agreements in accordance with the Municipality policy, such agreements will apply to all debt both current and in arrears.
j) Obtaining and maintaining acknowledgment of debt, emolument attachment orders.
k) Follow-up on negotiated agreements.
l) Identification of defaulters on negotiated agreements
m) Preparation of summonses.
n) Obtaining judgments.
o) Before handing over of account, the Service Provider must carry out, in consultation and liaise with the Project Manager and/or the Municipality and tis Legal Services, a social assessment on site and face-to-face with the occupants/owners, present a social assessment report to the Municipality with recommendation on how to handle the outstanding debt.
p) Ongoing liaison with the Project Manager and/or Municipality's Legal Services in terms of the execution of judgement.
q) Keeping record and follow-up on disconnected customers.
r) Responsible for all correspondences with debtors handled by the Service Provider.

7. PERFOMANCE MONITORING

The successful bidder will be required to issue the province with quarterly reports (in electronic format) detailing status of the accounts. The reports should clearly indicate details of amounts collected, successful and unsuccessful contacts made, follow up procedures etc.

The province will monitor performance of the successful bidder on return based on the age of account, demographics an geographic placement.

8. ORGANIZATIONAL INTERFACE AND REPORTING

Information between the two parties will be downloaded and cut onto CD or any other external devise as required.

Bidders must clearly indicate and provide details on:

a. The format in which they will require the data
b. The timeframes required for cut off and provision of reports and

c. The types and contents of management reports that will be issued to the province in a quarterly basis.

NB: Any material produced within the duration of this project shall be the property of the client.

9. PROJECT TIME FRAME.

The period of the project is estimated to take at most three (3) years as and when required. The service prover shall report to the Mpumalanga COGTA and relevant Municipal Manager respectively.

10. FEE STRUCTURE

The fee composition should be comprehensively detailed and all assumptions must be clearly stated.

The following, where applicable must be clearly illustrated between pre and post legal costs:

a. A detailed breakdown of the administrative costs recovered, if any, clearly indicating who will be liable for the payment of such costs:
b. Composition of any additional amount that will be added to the current balance of a debtor's account if any.

11. EXPERTISE AND REQUIREMENTS.

Mandatory skills required from the service provider:

- Knowledge and understanding of the local government environment
- A specialist and proven track record in the implementation of financial management intervention strategies in the local government sector.
- Relevant knowledge of local government legislation, policies, procedure manuals and strategies.
- Ability and capacity to transfer skills to client staff members
- Registration with Professional bodies.
- The service provider may subcontract or enters a joint venture.
- Evidence of similar work with contactable references.
- Relevant qualifications and CVs of key team members.

12. CAPACITY BUILDING AND SKILLS TRANSFER

COGTA considers skills development as an integral part of the outsourcing process. The process should ensure that skills development and transfer is achieved within the province (all municipalities and Departmental officials). Proposals must indicate how skills development and transfer would be achieved in the province.

13. FORMAT OF PROPOSAL

All proposals are to respond to requirements as per the Terms of Reference (TOR). All proposals should be clearly indexed and easy to read.

14. DOCUMENTATION AND CONFIDENTIALITY.

Material and data produced within the context of the projects whether in hard, digital and/or video format shall be the property of the Department of CoGTA and Municipality concerned.

15. EVALUATION PROCEDURE

9.1 Bids will be evaluated at different stages; the **first stage** would be general validity in terms of the compulsory Bidding requirements stated below under returnable schedule. Bids which fail in general to meet the compulsory requirements may be rejected and will not be evaluated further. However, COGTA reserves the right to communicate with bidders in the case where minor administrative errors are apparent. Bidders may be invited for presentations or clarification of documents.

9.2 The **second stage** will be the consideration of functionality. Requirements are set which will assist COGTA to assess the capacity and experience of the service providers. The minimum threshold for functionality must be met in order for bid offers to continue to the next stage of evaluation.

9.3 The **third stage** of evaluation will be according to the preference points claimed for stated Specific goals (refer also to SBD 6.1) and the Preferential Procurement Regulations, 2022 (80/20 preference point system) and pricing.

9.4 The evaluation of the functionality will be evaluated individually by Members of the Bid Evaluation Committee in accordance with the criteria indicated in the table below.

CRITERIA	GUIDELINES FOR CRITERIA APPLICATION	WEIGHT	
1. CAPABILITY (Project team)	- The capability of the service provider to complete the project will be assessed on the composition, knowledge and experience of the professional team. - It is important that the bidder ensures that people with relevant skills and experience in finance are part of the professional team		**20**
	- Submission of relevant CVs, qualifications and registrations will indicate that the bidder is suitably equipped with the knowledge, skills and capability necessary to complete the scope of work required. - Project team structure (organogram indicating expertise and experience of project team members		
	Team Composition : Professional/Registered Debt Collector, Legal Professional, Accountant, Professional Property Valuer, Access to Sheriff Services	**20**	
	Team Composition : Debt Collector, Legal Professional, Accountant, Professional Property Valuer,	**15**	
	Team Composition : Debt Collector, Legal Professional, Accountant	**10**	
2.	**Team Composition** : Debt Collector	**5**	
3. PROJECT PROPOSAL	- Proposed project implementation plan, - Clear reporting mechanism; - Programme with clear timelines and output. (Project plan must include timelines and outputs with clear reporting mechanisms to verify progress).	**10**	**20**
	- Proposed skills transfer plan. (Project plan must include a detailed skill transfer plan)	**10**	
	- ICT System developed by the service provider	**15**	**40**
	- ICT System not owned by the service provider	**10**	

4. ICT Systems and Methodology	- ICT System compatible to Municipal Systems	**10**	
	- ICT System automatically update consumers on the status of their accounts monthly through sms, emails etc.	**5**	
5. Experience and track record	- Demonstrate track record of experience with list of similar and/or comparable projects completed or currently engaged in during the past 03 years by the service provider. The schedule of comparable or similar projects describing the projects, year of implementation and the contact details of at least three (03) references must be submitted with the tender together with appointment letters and/or proof of completion of each project		**20**
	- **Years of Experience**		
	10 or more years	20	
	5-9years	15	
	4-3 years	10	
	3-1 years	7	
	0-1 year	3	
TOTAL POINTS ON FUNCTIONALITY MUST ADD UP TO 100		**100**	

9.4.1 The Bids that fail to achieve a minimum of **70 points** for functionality will be disqualified.

9.4.2 **Third Stage - E**valuation will be according to the preference points claimed for Specific goals (*Women, Youth, Disabled persons and Locality*) (refer also to SBD 6.1) and the Preferential Procurement Regulations, 2022 (80/20 preference point system) and pricing.

Only bids that achieve the minimum qualifying score for functionality will be evaluated further in accordance with the 80/20 preference points system.

9.4.3 **Calculation of points for price**

The PPPFA prescribes that the lowest acceptable bid will score 80 points for price. Bidders that quoted higher prices will score lower points for price on a pro-rata basis. Thus, bidders who provide the lowest management fee will get full 80 points for price. Pricing should be indicated in South African Rand, all inclusive.

9.4.4 **Calculating of Specific goals points.**

Points will be awarded based on calculation using percentage ownership by each target group.

10 COMPULSORY BID REQUIREMENTS

To be considered responsive, bidders must submit a valid offer along with the required compulsory documents before or on the closing date and time of bid. **Failure to submit the following will invalidate the bid. It is emphasised that a duly completed and signed (each page initialled), original Bid document must be submitted to avoid disqualification**:

i) Original stamp on the bid document from the Provincial bid office, unless downloaded.
ii) Copy of company registration.
iii) Joint venture agreements (if applicable); and in the case of a joint venture: supporting documentation for each company forming part of the agreement; copies of business registration certificates by each party.
iv) Evidence of the necessary registration or affiliations to relevant bodies.
v) Signed Terms of reference with each page initialled.
vi) Project Proposal and Pricing Schedule
vii) Completed and signed SBD1 form.
viii) Completed and signed SBD4 form – State officials as directors / shareholders / partners shall be disqualified if they fail to provide approval/s from their executing authorities authorizing them to undertake remunerative work outside their employments in the public service.
ix) Completed and signed SBD 6.1 form.
x) Certified copy of business Registration Certificate.

xi) Proof of registration on the Central Supplier Database.
xii) Certified Copies of Identity Documents of Directors / partners / shareholders of the Business.
xiii) List of contactable reference for similar work undertaken;
xiv) The bid document should be duly completed in ***black ink*** and signed (each page initialled). Any use of **tippex** or similar products on the bid document will nullify the bid;
xv) Bidders must be registered on the National Treasury's Central Supplier Database;
xvi) Any false information provided or misrepresentation will result in a bid being disqualified from further evaluation.

11. VALIDITY PERIOD

The validity of this bid will be **90 days** after the closing date, hence offers must remain valid for this period unless otherwise.

12. BID CONDITITIONS

i) The Department is not bound to accept any of the proposals submitted and reserve the right to call for best and final offers from short-listed bidders before final selection.
ii) The Department reserves the right to call for presentations or interviews with short listed bidders before final selection.
iii) The Department reserves the right to negotiate price with the preferred bidder/s;
iv) The lowest or any bidder will not necessary be accepted and the Department reserves the right to accept the whole or part of any bid.
v) The Department reserves the right to appoint more than one Service Provider.
vi) A bid from any bidder or its directors/partners whose name appears on the National Treasury Database of restricted suppliers will not be considered; and
vii) Late and incomplete bids will not be considered.

13. GENERAL CONDITIONS OF CONTRACT

13.1 This bid and all contracts emanating there from will be subject to the attached General Conditions of Contract issued by the National Treasury.

13.2 The Department and Service Provider will sign a Contract of Service upon appointment.

13.3 The Service Provider should commence with the project within seven (07) days after receiving the letter of appointment and signed the Contract of Service.

13.4 During the execution of the Project, the Service Provider is required to give reports on the progress of the Project. It is the responsibility of the service provider to have one of their representatives assigned the project during the Departmental meetings.

13.5 Copyright in respect of all documents and data prepared or developed for the purpose of the project by the Service Provider shall be vested in the Department.

13.6 The successful Service Provider agrees to keep all records and information of, or related to the project confidential and not discloses such records or information to any third party without the prior written consent of the Department.

13.7 The Department reserves the right to terminate the contract in the event that there is clear evidence of non-performance and non-compliance with the Contract.

13.8 The short-listed Service Provider may be required to do a presentation in person to the Department, at their own cost, should it be deemed necessary to do so.

14. OUTCLAUSE

14.1 The Department of COGTA reserves the right not to appoint if suitable candidates are not found at the discretion of the Department.

15 SPECIAL CONDITIONS OF CONTRACT

15.1 NOTES

15.1.1 The following Special conditions of Contract are an extract of the final intended contract and supplementary to the General Conditions of Contract mentioned above. However, where the special conditions on contract are in conflict with the general conditions of contract, the special condition of contract shall prevail.

15.1.2 Any misrepresentation of information provided in this bid may result in the cancellation of the Contract. It is a condition of this bid that the Tax matters of the service provider MUST remain in order for the awarded service provider/s for the duration of the contract; It will be a requirement, that for the duration of the contract if and when awarded that the successful bidder must be registered on the Central Supplier Database, That any bank details provided must correspond with the company registration name as applied for this bid.

15.2 PAYMENT

15.2.1 Original copies of invoices to substantiate all costs must be provided. The service provider's invoices should include the Department's order number that will be provided to the selected Service Provider upon acceptance of the bid. Invoices must clearly indicate the number of hours spent on the project, for what purpose those hours was spent and to what extent the objectives were achieved. No copies, faxes or e-mailed invoices from the service provider will be processed.

15.2.2 Payment to the Service Provider shall be facilitated by the Department within 30 (thirty) days of submission of invoices to the Department, which are subject to approval by the Department. No part payments shall be made to the Service Provider. Payments will be made only for work performed to the satisfaction of the Department. The Project Management Committee will need to take a resolution concerning the work undertaken by the Service Provider. This resolution will then be reflected in the minutes of the meeting. The minutes will be submitted as part of the documentation required in order to process payment.

15.2.3 This is a performance-based Contract and the Service Provider's performance shall be measured and assessed in terms of the deliverables and this clause; failure to meet the required standard by the Service Provider, the Department must-

- notify the Service Provider in writing within 7 (seven) days from date of the assessment to rectify the unacceptable performance; and
- The Service Provider must rectify the unacceptable performance within 7 (seven) days from the assessment at no extra costs.

15.3 EXTRA WORK

15.3.1 Any costs for extra work by the Service Provider, incurred over and above this bid which, in the sole opinion of the Chief Financial Officer are due to reasons attributable to the Service Provider during any phase of the project shall be borne by the service provider.

15.3.2 If, after the commencement of this Contract, the cost or duration of the services is altered as a result of changes in, or addition to any statute, regulation or by-law, or in the requirement of the authority having jurisdiction over any matter in respect of the services, then the agreed fees and time for completion, may on discretion of the Head of Department, be adjusted in writing, in order to reflect the impact of those changes.

15.4 REPORTING AND ACCOUNTABILITY

15.4.1 During the execution of the Project, the Service Provider must submit regular progress reports and attend meetings at intervals as determined by the project team or Project committee managing the Service Provider.

15.4.2 All information captured and or used to generate the outputs of the Project remains the property of the Municipality Council and the Department and must be handed over in its totality when the project is closed. The Department will retain copyright and all associated intellectual rights thereof. This document together with all agreements to be or reached during the course of the project become part of the Contract. The information must be captured and provided in a digital format as agreed (in writing) between the Service Provider and the Department. This agreement must be reached and signed off together with the project plan before the Project commences.

15.4.3 The Project will be signed off by the Chief Financial Officer or representative when:

- all the end products (refer to list) have been delivered,
- a formal presentation has been made to Office of the Chief Financial Officer, and
- the Chief Financial Officer or representative is satisfied that all requirements have been met.

15.4.4 Team members that will be directly involved in the Project will be expected to attend all progress report meetings as scheduled and agreed upon by both Parties. The selected team members shall stay the same for the duration of the Project and cannot be changed without prior discussions with and approval from the Department.

15.4.5 The Project team will consist of appointed Service Provider/team plus a dedicated Project team as assigned by the Department and the Traditional Council.

15.5 NATURE OF RELATIONSHIP

15.5.1 For the purposes of this Contract the Service Provider is an independent Service Provider and the relationship between the Parties shall not be construed to be that of employer and employee.

15.5.2 The Service Provider shall not act as, or hold out to be, the agent, representative or employee of the Department.

15.5.3 All reports, documents and papers of whatever nature to be furnished to the Department in terms of this Contract shall become the property of the Department and subject to all proprietary and other rights the Department may hold over it.

15.6 BREACH AND TERMINATION

15.6.1 Subject to clause 15.2.3 above, in the event of the Service Provider failing to comply with any of its obligations in terms of this Contract, the Department shall be entitled to deliver a written notice to the Service Provider calling upon it to comply with such obligations within a period of 14 (fourteen) days. Should the Service Provider fail, within the aforementioned period of 14 (fourteen) days, to comply with such obligations, the Department shall be entitled without prejudice to any rights which it may have in law, to cancel this Contract. The Department may have all the remaining work done by another Sole Proprietor/Company at the sole expense and cost of the Service Provider appointed, and/or to pursue all other remedies to which it shall be entitled.

15.6.2 In the event of the Contract having been cancelled in terms of sub-clause 15.9.1 above, no further payments shall be due to the Service Provider until the work has been completed by the
Substituting Service Provider, the Service Provider final account and that of the substituting Company has been ascertained and any loss suffered by the Department due to the cancellation has been identified. Such loss shall be deducted from any payments due to the Service Provider by the Department.

15.7 DISPUTE RESOLUTION

In case of a dispute arising out of a matter relating to this Contract, both Parties shall first endeavour to resolve the dispute through internal processes failing which the Parties agree to the appointment of an independent arbitrator whose decision is an advisory arbitration award.

15.8 ARBITRATION

15.8.1 In the event of a dispute about the Contract or any matter relating to the administration or management of the Contract between the Parties and the dispute cannot be resolved within five (5) working days from the date when the dispute ensued; the matter shall be subjected to an arbitration hearing at Mbombela.

15.8.2 An Attorney of not less than (5) years' experience shall be appointed by agreement within two (2) days failing which the president of the Law Society of the Northern Provinces shall be authorised to appoint an arbitrator, his appointment shall be final. The arbitrator may mediate, conciliate, failing which the arbitrator shall give an advisory arbitration award.

15.9 GENERAL

15.9.1 This Contract shall be construed according to the laws of the Republic of South Africa applicable to agreements that are signed and performed within the Republic of South Africa.

15.9.2 The terms and conditions set out herein constitute the entire Contract between the Parties. No amendment or variation of whatever nature shall be binding unless reduced to writing and signed by both Parties.

16 COMPULSORY BRIEFING SESSION

There will be a non-compulsory session. Details of the non-compulsory briefing session will be stated in the Advert. Any bidder who requires clarity may contact the relevant contacts as indicated below:

- Technical Enquiries: Mr. SS. Kunene Tel: (013) 766 6591
- Bid Administration: Mr. EE Sibiya (013) 766 66969

TAX CLEARANCE

TCC 001

Application for a Tax Clearance Certificate

Purpose

Select the applicable option .... Tenders ☐ Good standing ☐

If "Good standing", please state the purpose of this application

Particulars of applicant

Name/Legal name (Initials & Surname or registered name)

Trading name (if applicable)

ID/Passport no

Company/Close Corp. registered no

Income Tax ref no

PAYE ref no 7

VAT registration no 4

SDL ref no L

Customs code

UIF ref no U

Telephone no

Fax no

E-mail address

Physical address

Postal address

Particulars of representative (Public Officer/Trustee/Partner)

Surname

First names

ID/Passport no

Income Tax ref no

Telephone no

Fax no

E-mail address

Physical address

Particulars of tender (If applicable)

Tender number

Estimated Tender amount R ,

Expected duration of the tender year(s)

Particulars of the 3 largest contracts previously awarded

Date started	Date finalised	Principal	Contact person	Telephone number	Amount

Audit

Are you currently aware of any Audit investigation against you/the company? YES NO

If "YES" provide details

Appointment of representative/agent (Power of Attorney)

I the undersigned confirm that I require a Tax Clearance Certificate in respect of Tenders or Goodstanding.

I hereby authorise and instruct ______ to apply to and receive from SARS the applicable Tax Clearance Certificate on my/our behalf.

Signature of representative/agent

Date

Name of representative/ agent

Declaration

I declare that the information furnished in this application as well as any supporting documents is true and correct in every respect.

Signature of applicant/Public Officer

Date

Name of applicant/ Public Officer

Notes:

1. It is a serious offence to make a false declaration.
2. Section 75 of the Income Tax Act, 1962, states: Any person who
   (a) fails or neglects to furnish, file or submit any return or document as and when required by or under this Act; or
   (b) without just cause shown by him, refuses or neglects to-
      (i) furnish, produce or make available any information, documents or things;
      (ii) reply to or answer truly and fully, any questions put to him ...

   As and when required in terms of this Act ... shall be guilty of an offence ...
3. **SARS will, under no circumstances, issue a Tax Clearance Certificate unless this form is completed in full.**
4. Your Tax Clearance Certificate will only be issued on presentation of your South African Identity Document or Passport (Foreigners only) as 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.

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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.

3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and 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

SBD 6.1

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

1.2 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.

1.3 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) **"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 PREFERENCE POINT SYSTEMS**

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

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

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

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)
Woman		5 points		
Disabled people		5points		
Youth		5 points		
Locality Mpumalanga province		5 points		
TOTAL POINTS		20 POINTS		

DECLARATION WITH REGARD TO COMPANY/FIRM

3.2. Name of company/firm..

3.3. Company registration number: ....

3.4. 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]

3.5. 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 neces

(f) disqualify the person from the tendering process;

(g) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;

(h) 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;

(i) 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

(j) forward the matter for criminal prosecution, if deemed necessary.

……………………………………………

SIGNATURE(S) OF TENDERER(S)

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

DATE: ………………………………………………………………

ADDRESS: ………………………………………………………………

………………………………………………………………

………………………………………………………………

………………………………………………………………

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.