BID ADVERTISEMENT FORM

<table>
<tr><td>Bid description</td><td colspan="11">Appointment Of A Service Provider For Sampling And Testing Of Petroleum Products In The South African Petroleum Industry In Terms Of Regulations Regarding Petroleum Products Specifications And Standards No. R. 627 For The Department Of Minerals Resource And Energy For A Period Of Three (3) Years.</td></tr>
<tr><td>Bid number</td><td colspan="11">DMRE/001/2021/22</td></tr>
<tr><td>Name of institution</td><td colspan="11">Department Of mineral Resources And Energy</td></tr>
<tr><td>Tender Type (RFQ/RFP/RFI)</td><td colspan="11">RFP</td></tr>
<tr><td>Province / National</td><td colspan="11">National</td></tr>
<tr><td>The place where goods, works or services are required</td><td colspan="11">Department Of mineral Resources And Energy, 192 Cnr Visagie And Paul Kruger Street,Matimba Building</td></tr>
<tr><td>Opening date</td><td>Date</td><td>2</td><td>0</td><td>2</td><td>1</td><td>0</td><td>6</td><td>1</td><td>1</td><td>Time</td><td>08:00</td></tr>
<tr><td>Closing date and time</td><td>Date</td><td>2</td><td>0</td><td>2</td><td>1</td><td>0</td><td>7</td><td>0</td><td>2</td><td>Time</td><td>11:00</td></tr>
<tr><td rowspan="4"></td><td colspan="4">Postal address</td><td colspan="7">Private Bag X96
Pretoria
0001</td></tr>
<tr><td colspan="4">Physical address</td><td colspan="7">192 Cnr Visagie And Paul Kruger Street, Matimba Building</td></tr>
<tr><td colspan="4">Tel</td><td colspan="7">012 406 7910</td></tr>
<tr><td colspan="4">Fax</td><td colspan="7"></td></tr>
<tr><td>Contact person</td><td colspan="4">Name</td><td colspan="7">Samuel Msiza</td></tr>
<tr><td rowspan="2"></td><td colspan="4">email</td><td colspan="7">Samuel.msiza@dmre.gov.za</td></tr>
<tr><td colspan="4">Tel</td><td colspan="7">012 406 7910</td></tr>
<tr><td>Where bids should be delivered</td><td colspan="11">Department Of mineral Resources And Energy, 192 Cnr Visagie And Paul Kruger Street,Matimba Building</td></tr>
<tr><td>Category (refer to annexure A)</td><td colspan="11">• CHEMICALS: Agricultural/Forestry/Laboratory/ Water Care</td></tr>
<tr><td>Sector</td><td colspan="11">Minerals And Petroleum Regulation</td></tr>
<tr><td>Region</td><td colspan="11">National</td></tr>
<tr><td rowspan="2">Compulsory briefing session/site visit</td><td colspan="3">Yes / No</td><td colspan="8">Yes</td></tr>
<tr><td colspan="3">Date</td><td colspan="8">22 June 2021</td></tr>
</table>

	Time	10:00
	Venue	Department Ofmineral Resources And Energy, 192 Cnr Visagie And Paul Kruger Street,Matimba Building
	Link	

ANNEXURE A: COMMODITY CATEGORIES

- ACCOMMODATION, Leasing of
- AUDIO VISUAL EQUIPMENT
- BUILDING MATERIAL
- CHEMICALS: Agricultural/Forestry/Laboratory/ Water Care
- CLOTHING/TEXTILES
- COMPUTER EQUIPMENT
- COMPUTER SOFTWARE
- ELECTRICAL EQUIPMENT
- ELECTRONIC EQUIPMENT
- FURNITURE
- GENERAL
- MEDICAL
- OFFICE EQUIPMENT: Labour-saving devices
- PERISHABLE PROVISIONS
- STATIONERY/PRINTING
- STEEL
- TIMBER
- VEHICLE (all types)
- WORKSHOP EQUIPMENT

SERVICES

- BUILDING
- CIVIL
- ELECTRICAL
- FUNCTIONAL (including cleaning/security services)
- GENERAL
- MAINTENANCE (Electrical, mechanical equipment and plumbing)
- MECHANICAL
- PROFESSIONAL
- REPAIR AND MAINTENANCE OF VEHICLES

- TRANSPORT
- OTHER

PART A
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF ENERGY					
BID NUMBER:	DMRE/001/2021/22	CLOSING DATE:	02 JULY 2021	CLOSING TIME:	11H00
DESCRIPTION	APPOINTMENT OF A SERVICE PROVIDER FOR SAMPLING AND TESTING OF PETROLEUM PRODUCTS IN THE SOUTH AFRICAN PETROLEUM INDUSTRY IN TERMS OF REGULATIONS REGARDING PETROLEUM PRODUCTS SPECIFICATIONS AND STANDARDS NO. R. 627 FOR THE DEPARTMENT OF MINERALS RESOURCE AND ENERGY FOR A PERIOD OF THREE (3) YEARS.				

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT *(STREET ADDRESS)*

DEPARTMENT OF MINERAL RESOURCES AND ENERGY

192 CNR VISAGIE AND PAUL KRUGER STREET,MATIMBA BUILDING
PRETORIA, 0001

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO		TECHNICAL ENQUIRIES MAY BE DIRECTED TO:	
CONTACT PERSON	MR SAMUEL MSIZA	CONTACT PERSON	MR NGWAKO KEKANA
TELEPHONE NUMBER	012 406 7910	TELEPHONE NUMBER	012 406 7583
FACSIMILE NUMBER	N/A	FACSIMILE NUMBER	N/A
E-MAIL ADDRESS	smuel.msiza@dmre.gov.za	E-MAIL ADDRESS	Ngwako.kekana@dmre.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

[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	☐Yes ☐No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR **THE GOODS /SERVICES /WORKS OFFERED?**	☐Yes ☐No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]

QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	☐ YES ☐ NO
DOES THE ENTITY HAVE A BRANCH IN THE RSA?	☐ YES ☐ NO
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	☐ YES ☐ NO
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	☐ YES ☐ NO
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	☐ YES ☐ NO

IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.

PART B
TERMS AND CONDITIONS FOR BIDDING

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

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

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

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

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

DATE: ……………………………………………

TAX CLEARANCE CERTIFICATE REQUIREMENTS

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

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

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

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

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

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

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

PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER: .... BID NO.: **DMRE/001/2021/22**

CLOSING TIME **11:00** CLOSING DATE: **02 JULY 2021**

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

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

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

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

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

4. PERSON AND POSITION

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

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

--	R----------------------------	------------------------- days
--	R----------------------------	------------------------- days
--	R----------------------------	------------------------- days
--	R----------------------------	------------------------- days

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

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

TOTAL: R...

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

Name of Bidder: ....

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

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

TOTAL: R...

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

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

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

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

....

....

....

*[DELETE IF NOT APPLICABLE]

Any enquiries regarding bidding procedures may be directed to the:

Department of Minerals Resource and Energy

Bid Enquiries:

Contact Person: Mr. Samuel Msiza or Ms. Nonhlanhla Zingwevu.

Tel: 012 406 7910/ 012 444 3055

Email: Samuel.Msiza@dmre.gov.za; Nonhlanhla.Zingwevu@dmre.gov.za

ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:

All technical enquiries to be directed in writing to:

Mr Ngwako Kekana
Tel: 012 406 7583
Email: ngwako.kekana@dmre.gov.za

ANNEXURE B

SBD 4

DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state[1], or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes an advertised competitive bid, a limited bid, a proposal or written price quotation). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-

   - the bidder is employed by the state; and/or

   - the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

2. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

2.1 Full Name of bidder or his or her representative: ……………………………………………………………

2.2 Identity Number:……………………………………………………………………………………………………

2.3 Position occupied in the Company (director, trustee, shareholder[2], member): ……

2.4 Registration number of company, enterprise, close corporation, partnership agreement or trust: ……

2.5 Tax Reference Number: ……………………………………………………………………………………………

2.6 VAT Registration Number: …………………………………………………………………………………………

2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / PERSAL numbers must be indicated in paragraph 3 below.

[1]"State" means –
(a) any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
(b) any municipality or municipal entity;
(c) provincial legislature;
(d) national Assembly or the national Council of provinces; or
(e) Parliament.

[2]"Shareholder" means a person who owns shares in the company and is actively involved in the management of the enterprise or business and exercises control over the enterprise.

2.7 Are you or any person connected with the bidder presently employed by the state? **YES / NO**

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member: ………………………………………
Name of state institution at which you or the person connected to the bidder is employed : ………………………………………
Position occupied in the state institution: ………………………………………

Any other particulars:
……………………………………………………………………
……………………………………………………………………
……………………………………………………………………

2.7.2 If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector? **YES / NO**

2.7.2.1 If yes, did you attach proof of such authority to the bid document? **YES / NO**

<u>(Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.</u>

2.7.2.2 If no, furnish reasons for non-submission of such proof:

……………………………………………………………………
……………………………………………………………………
……………………………………………………………………

2.8 Did you or your spouse, or any of the company's directors / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months? **YES / NO**

2.8.1 If so, furnish particulars:
……………………………………………………………………
……………………………………………………………………
……………………………………………………………………

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

2.9.1 If so, furnish particulars.

……………………………………………………………………

…………………………………………………………………
…………………………………………………………………

2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid? **YES/NO**

2.10.1 If so, furnish particulars.

…………………………………………………………………
…………………………………………………………………
…………………………………………………………………

2.11 Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract? **YES/NO**

2.11.1 If so, furnish particulars:

…………………………………………………………………………………
…………………………………………………………………………………
…………………………………………………………………………………

3 Full details of directors / trustees / members / shareholders.

Full Name	Identity Number	Personal Income Tax Reference Number	State Employee Number / Persal Number

4 DECLARATION

I, THE UNDERSIGNED (NAME)……………………………………………………………………………

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT.
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

…………………………………… ………………………………………………
Signature Date

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

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.

---

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all bids:

- 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

a) The value of this bid is estimated to not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable; or

b) Either the 80/20 preference point system will be applicable to this tender.

1.3 Points for this bid shall be awarded for:

(a) Price; and

(b) B-BBEE Status Level of Contributor.

1.4 The maximum points for this bid are allocated as follows:

	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
Total points for Price and B-BBEE must not exceed	100

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

2. DEFINITIONS

(a) **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;

(b) "**B-BBEE status level of contributor"** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

(c) **"bid"** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;

(d) **"Broad-Based Black Economic Empowerment Act"** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);

(e) **"EME"** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;

(f) **"functionality"** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.

(g) **"prices"** includes all applicable taxes less all unconditional discounts;

(h) **"proof of B-BBEE status level of contributor"** means:

1) B-BBEE Status level certificate issued by an authorized body or person;

2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;

3) Any other requirement prescribed in terms of the B-BBEE Act;

(i) **"QSE"** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;

(j) **"rand value"** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

3.1 THE 80/20 PREFERENCE POINT SYSTEMS

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

80/20

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

Where

Ps	=	Points scored for price of bid under consideration
Pt	=	Price of bid under consideration
Pmin	=	Price of lowest acceptable bid

4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (80/20 system)
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

5. BID DECLARATION

5.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

6.1 B-BBEE Status Level of Contributor: . = ...(maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

7. SUB-CONTRACTING

7.1 Will any portion of the contract be sub-contracted?

(***Tick applicable box***)

YES		NO	

7.1.1 If yes, indicate:

i) What percentage of the contract will be subcontracted............…………….……….…%
ii) The name of the sub-contractor…………………………………………………………..
iii) The B-BBEE status level of the sub-contractor......................................……………..
iv) Whether the sub-contractor is an EME or QSE
(***Tick applicable box***)

YES		NO	

v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations,2017:

Designated Group: An EME or QSE which is at last 51% owned by:	**EME** √	**QSE** √
Black people		
Black people who are youth		
Black people who are women		

Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
OR		
Any EME		
Any QSE		

8. **DECLARATION WITH REGARD TO COMPANY/FIRM**

8.1 Name of company/firm:…………………………………………………………………………

8.2 VAT registration number:……………………………………………………………………

8.3 Company registration number:………………………………………………………………

8.4 TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
- ☐ One person business/sole propriety
- ☐ Close corporation
- ☐ Company
- ☐ (Pty) Limited

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

……
……
……
……
……..

8.6 COMPANY CLASSIFICATION

- ☐ Manufacturer
- ☐ Supplier
- ☐ Professional service provider
- ☐ Other service providers, e.g. transporter, etc.

[*TICK APPLICABLE BOX*]

8.7 Total number of years the company/firm has been in business:………………………………

8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we 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 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;

iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –

(a) disqualify the person from the bidding 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 bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury 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.

WITNESSES	
1.	.... SIGNATURE(S) OF BIDDERS(S)
2.	DATE: ....
	ADDRESS ....
	....
	....

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

1 This Standard Bidding Document must form part of all bids invited.

2 It serves as a declaration to be used by institutions in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.

3 The bid of any bidder may be disregarded if that bidder, or any of its directors have-

a. abused the institution's supply chain management system;
b. committed fraud or any other improper conduct in relation to such system; or
c. failed to perform on any previous contract.

4 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector? **(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the *audi alteram partem* rule was applied).** The Database of Restricted Suppliers now resides on the National Treasury's website(**www.treasury.gov.za**) and can be accessed by clicking on its link at the bottom of the home page.	Yes ☐	No ☐
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? **The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.**	Yes ☐	No ☐
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?	Yes ☐	No ☐
4.3.1	If so, furnish particulars:		

4.4	Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes ☐	No ☐
4.4.1	If so, furnish particulars:		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)…………………………………………… CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS TRUE AND CORRECT.

I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

………………………………………… ……………………………

Signature **Date**

………………………………………… ……………………………

Position **Name of Bidder**

CERTIFICATE OF INDEPENDENT BID DETERMINATION

1 This Standard Bidding Document (SBD) must form part of all bids[1] invited.

2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).[2] Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.

3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:

a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.

b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.

4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.

5 In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

[1] **Includes price quotations, advertised competitive bids, limited bids and proposals.**

[2] **Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.**

SBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

____

(Bid Number and Description)

in response to the invitation for the bid made by:

____

(Name of Institution)

do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of:____that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:

    (a) has been requested to submit a bid in response to this bid invitation;

    (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and

    (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium[3] will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
   (a) prices;
   (b) geographical area where product or service will be rendered (market allocation)
   (c) methods, factors or formulas used to calculate prices;
   (d) the intention or decision to submit or not to submit, a bid;
   (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
   (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. 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] **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.**

10. 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.

………………………………………………… ……………………………………

Signature Date

………………………………………………… ……………………………………

Position Name of Bidder

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.

TERMS OF REFERENCE FOR APPOINTMENT OF A SERVICE PROVIDER FOR SAMPLING AND TESTING OF PETROLEUM PRODUCTS IN THE SOUTH AFRICAN PETROLEUM INDUSTRY IN TERMS OF REGULATIONS REGARDING PETROLEUM PRODUCTS SPECIFICATIONS AND STANDARDS NO. R. 627 FOR THE DEPARTMENT OF MINERALS RESOURCE AND ENERGY FOR A PERIOD OF THREE (3) YEARS.

1 BACKGROUND

1.1 The petroleum industry is regulated in terms of the Petroleum Products Act, 1977 (Act No. 120 of 1977) ("the Act) as amended. A licensing regime for the petroleum industry was for the first time in the Republic of South Africa, introduced by the 2003 amendment through the Petroleum Products Amendment Act, 2003 (Act No. 58 of 2003) and subsequent Regulations promulgated under the Act. In March 2006, Regulations Regarding Petroleum Products Specifications and Standards of 2006 ("the Regulations"), issued on 23 June 2006 in Gazette No. 28958 under Government Notice Number R. 627, were enacted to monitor and enforce compliance to fuel quality.

1.2 The main purpose of the Act as amended and its Regulations is to ensure an efficient Manufacturing, Wholesaling and Retailing of the petroleum products in the sector to promote an environment conducive for investment, development of small enterprises, promote competition in the industry, prohibit certain actions and ensure compliance to the Act and conditions attached to operating licenses.

1.3 Further, to increase efficiency, economic viability, accelerate transformation in the South African petroleum industry and to promote the sale of quality petroleum products in an effort to mitigate against harmful effects and pollutants emitted from petroleum products (e.g high sulphur content in Diesel and Petrol), and to mitigate the effects of global warming, evident from erratic weather patterns and current persistent draughts affecting the country's socio-economic status.

1.4 To achieve the above, the Department of Minerals Resource and Energy ("DMRE") issues operating licenses to refiners, wholesalers and retailers of petroleum products, monitors compliance to conditions of licences issued under the Act, and further monitors compliance to legislative requirements applicable in the petroleum industry.

1.5 The DMRE has limited information about performance of petroleum operators in terms of compliance to the Regulations. It is against this backdrop that the DMRE undertakes to appoint a suitably qualified service provider to conduct sampling and testing of petroleum products to establish compliance status by petroleum products operators in the industry, to check the quality of fuel that circulates or is sold in the Republic of South Africa, and obtain broader understanding of the challenges confronting petroleum operators in terms of compliance to fuel quality.

1.6 Fuel quality monitoring programme in the country will deal with challenges regarding identification of fuel that do not meet minimum quality specifications. Failure to monitor fuel quality will result in the influx of fuel that are below the set specifications and standards, and such will, *inter alia*, reduce the country's efforts against global warming and air pollution control. Furthermore, there are unscrupulous petroleum operators in our midst who smuggle petroleum products below the set specifications into the country with the deliberate purpose to evade tax such as custom, excise or import duties. The foregoing has negative impact on revenue collection for the country in general.

1.7 The DMRE is the key role player to ensure that the petroleum industry comply to the Regulations pertaining petroleum products sold in the country. Fuel quality monitoring is of strategic importance in the country and as such, forms part of the DMRE's ongoing strategic objectives aimed to, *inter alia*, improve Minerals Resource and Energy regulation, competition, efficiency, human and environmental protection.

2. DISCUSSION

2.1 The Petroleum Products Amendments Act, 2003 (PPA), introduced in 2006, regulated certain aspects of transport fuel specifications, with application to the South African National Standards (SANS). These ensure that the consumer has choice and is guaranteed a fit-for-purpose product, while at the same time certain environmental aspects are also addressed in the following manner:

2.1.1 Petrol and diesel must be supplied to regulated specifications;
2.1.2 Suppliers must label fuel dispensers with the mandated label (grade and quality);
2.1.3 The consumer has a right to request information about the product; and
2.1.4 The DMRE has the mandate to sample the fuel and check that it meets the regulated specifications (Emphasis).

2.2 Prior to 2006, South Africa did not have compulsory fuel specifications and standards for all petroleum products manufactured and sold in the country. Oil companies were at a leeway to produce, export and import petroleum products such as petrol and diesel at any level of specifications and standards. When the process of introducing cleaner fuels in the South African petroleum industry began, the focus was on the reduction and complete removal of lead in petrol and reduction of sulphur content in both diesel and petrol.

2.3 During 1920s, lead alkyl has been supplemented to petrol as an octane boost as well as preventing engine knock. Not only did it occur in South Africa, throughout the 1970s, lead alkyl was used globally until such time when its negative health effects were deciphered resulting into a total ban of lead additives in petrol. Nonetheless, South Africa was not leading in pioneering fuel quality improvement in the world; it followed countries such as United States of America, Canada and Japan who began with the removal process in the mid-1970s.

2.4 Sixteen years after the inception of removal process in the developed countries, South Africa started by reducing lead levels in petrol from 0.836gPb/l to 0.60gPb/l. Subsequently, lead additive continued to be reduced until complete ban in January 2006.

2.5 Post 2006, South Africa began to experience influx of new vehicle technology that uses catalytic converters in order to improve air quality by restraining vehicle exhaust emission to the atmosphere. Lead additive is prone to damaging catalytic converters which then results into substantial vehicle emissions. During this period, the market also experienced reduction of sulphur levels in diesel. For example, diesel sulphur content was reduced from 5 500 ppm to 3 000 ppm in 2001 and further reduced to 500 ppm in 2006, with 50 ppm prominent in the country. And sulphur content on unleaded petrol (ULP) was also reduced from 1000 ppm to 500 ppm.

2.6 The quality of fuel will result in the improvement of vehicle technology in the country and the environment. The following fuel parameters are critical in the quality of petroleum products; **Petrol:** to reduce level of benzene in order to reduce carcinogenic emissions, reducing volatility to reduce evaporative emissions, reducing sulphur to improve catalytic converter efficiency and reduce particulate matter (PM); **Diesel:** to reduce sulphur to improve particulate matter, oxides of sulphur (SOx), oxides of nitrogen (NOx) emissions, tightening total aromatics, final boiling point and cetane number.

2.7 All fuel is required to meet the regulated quality "ex nozzle", that is, at the point of sale or supply. Some minor changes occur with regard to fuel properties during storage and distribution and such is inevitable. The fuel suppliers/ marketers have therefore developed exchange specifications for refined product and are more comprehensive, and in some cases, more stringent than the regulatory requirements. These exchange specifications reflect more specific fit-for-purpose requirements (such as geographical and atmospheric variations) and allow some operating margin for quality changes between storage and sale.

2.8 The interaction between transport fuel (petrol and diesel), vehicles and the environment is complex, yet critical. It is important that this interaction is clearly understood within the specific context of the local environment to ensure the achievement of the desired outcome - namely cleaner air – without prejudice to the requirement for affordable transportation. Air pollution continues to affect the quality of air that we breath and this is attributed to the major sources of urban air pollution – e.g motor vehicles, commercial industries and domestic fuel use.

2.9 According to Minerals Resource and Energy Statistics compiled by Minerals Resource and Energy Planning Chief Directorate, in the DMRE, the annual consumption of petrol and diesel in January to September 2020 are recorded as follows:

2020 JANUARY TO September SA FUEL SALES VOLUME / CONSUMPTION				
Product name	**January to March**	**April to June**	**July to September**	**Grand Total**
Diesel (All grades)	3,141,035,449	2,309,436,511	3,068,223,851	**8,518,695,812**
Petrol (All grades)	2,484,635,034	1,598,443,484	2,157,451,803	**6,240,530,321**
Jet Fuel	591,423,774	90,330,379	145,296,357	**827,050,510**
Paraffin	135,699,184	71,806,414	220,633,725	**528,139,323**
Furnace Oil	134,273,497	109,030,742	118,546,315	**361,850,554**
LPG	115,245,358	99,844,580	125,051,203	**340,141,141**
Aviation Gasoline	1,895,283	1,236,084	2,313,734	**5,445,101**

2.10 The reality in the South African context is that local demand exceeds the supply, hence the shortfall is met through imports. Importation of refined products by nature presents an opportunity for off specification molecule to find way into the country, hence the importance of an ongoing fuel quality monitoring programme.

2.11 In executing its mandatory responsibilities, the Chief Directorate; Petroleum Compliance Enforcement and Fuel Pricing(“CD: PCE&FP”) undertakes to appoint a competent and appropriately resourced service provider (with own laboratory) to conduct fuel sampling and testing exercise on behalf of the DMRE for a period of three years, (implemented according to DMRE APP fuel sampling and testing targets).

2.12 Fuel quality monitoring is of strategic importance and critical to safeguard the interest of motorists, the environment and public health. Value proposition is that the programme will assure cleaner product, fuel quality compliant industry and transparency of the fuel specification of products consumed in the country. Economic benefits are derived from consumers receiving quality products in areas of fuel quality, vehicle efficiency and vehicle maintenance.

2.13 The behavior of petroleum industry, whether due to ignorance, weaknesses, recklessness or deliberate non-compliance only means that instances of failure to comply with petroleum legislation will exist. Hence the need to monitor compliance and to have administrative structures that will enable the DMRE to keep non-compliance with petroleum laws to a minimum. The aim is to ensure that compliance takes place in such a manner that inspires confidence to the industry, citizens of the country and business at large.

3. OBJECTIVES OF THE PROJECT

3.1 To execute an ongoing fuel quality monitoring and compliance enforcement as mandated by Regulations Regarding Petroleum Products Specifications and Standards, R 627, issued on 23 June 2006 in Gazette No. 28958;

3.2 The creation of South Africa fuel quality database for future policy/ legislative intervention aimed at improving Minerals Resource and Energy regulation, competition, efficiency, human and environmental protection;

3.3 Respond to instances of consumer fuel contamination complaints and dispute resolution;

3.4 Identify fuel quality compliance challenges in the petroleum value chain and mitigate through policy/ legislative intervention;

3.5 Enhance advocacy and encourage regular stakeholder engagements to discuss the importance of fuel quality compliance in the country, thereby attracting foreign investments in new engine technology and the creation of job opportunities; and

3.6 Continue to prioritise high risk areas to establish product sources, extent and/ or magnitude of non-compliance to prescribed fuel specifications and standards.

4. SCOPE OF WORK

4.1 The successful service provider is expected to perform the following functions as a minimum deliverable; all the items referenced in the Scope of Work below and to adequately address all the listed objectives:

4.2 Collect a minimum total of 1080 petrol and diesel annually (540 diesel and 540 petrol) from selected sites, conducted monthly in the different provinces (e.g. North West, Northern Cape, Western Cape, Eastern Cape, Limpopo, KwaZulu Natal, Mpumalanga, Gauteng and Free State) as informed by risks, provincial dynamics and the prevalence of non-compliance. A total of each specified petroleum product sampled and tested should amount to 1080 units tested for specifications per annum;

4.3 Testing properties in **Petrol** must include: ***appearance, octane, aromatics content, benzene, manganese (metal content), sulphur content and distillation***;

4.4 Testing properties on **Diesel** must include: ***appearance, CFPP (cold filter plugging point), flash point, sulphur content, total contamination and water content and distillation***. Prepare a report summarizing the results of analytical testing and comparing the results against prescribed requirements as per the Regulations;

4.5 2.5 litres of each sample will be collected from each selected site to allow excess sample to be retained for re-sampling, if necessary. Passed samples shall be retained for of three (3 months) after date of analysis and failed samples shall be retained by the service provider for a period six (6) months after date of analysis for potential future compositional analysis and as evidence in the event of non-compliance dispute;

4.6 Use appropriate container compliant to SABS approved methodology and consistent with international best practice;

4.7 Develop site sampling manual incorporate Safety, Health, Environment and Quality requirements for use by DMRE and service provider;

4.8 Develop clearly defined dispute resolution procedure in the event of any contestation of samples results;

4.9 Develop comprehensive sampling schedules and testing criteria (compliant to SABS approved methodology, (e.g. ISO 4295). The sampling methods and choice of sample sizes must achieve randomness and representativeness. Proposed sampling schedule and methodologies shall be subject to DMRE consideration and approval;

4.10 Develop comprehensive logistical plan for transportation of samples from source to laboratory to ensure sample integrity is maintained;

4.11 Develop comprehensive plan/ procedure to deal with any eventuality resulting in sample(s) being compromised in any form or manner; and

4.12 In consultation with the Project Manager, the service provider shall handle testing results in accordance with applicable confidentiality and law. The service provider shall adhere to the same confidentiality level that DMRE personnel are required to maintain, and shall take steps through which all persons employed by the service provider and any sub-contractors will be made aware of the service provider's obligations for protection of confidentiality, failing which the Service Level Agreement on breach shall be evoked;

4.13 At the end of the contract the service provider will make recommendations to the DMRE for future policy/ legislative design as well as compliance monitoring and enforcement strategies; and

4.14 All information generated, created and / or obtained by the service provider under the fuel quality monitoring project shall be and remains the property of the DMRE. The service provider must ensure that all such information referred above is transferred to the DMRE within three months from date of completion of project. Access to all such information by third party shall be made directly to the DMRE in writing. The DMRE shall consider such request at its sole discretion and decide whether to grant or refuse the request.

5. REPORTING REQUIREMENT AND PROGRESS MEETINGS

5.1 It is envisaged that the DMRE will require an initial meeting with the successful bidder(s) to agree on the project process and options to be investigated. Reporting to DMRE will be through the Project Manager and shall be done in the following manner:

5.1.1 Executive summary of the report (Word, Excel and/ or PowerPoint),

5.1.2 Hard and electronic copies monthly reports including Annexure(s) of laboratory results (e.g. Certificates of Analysis);

5.1.3 Report on skills transfer (referred to in paragraph 11.9 below) and any other subsequent fuel quality monitoring best practices;

5.1.4 Report on employment creation for the duration of the project and any opportunities beyond the contract; and

5.1.5 The DMRE and successful service provider will have monthly meetings to discuss issues on the project, and the service provider will be required to record minutes and produce same to the DMRE within three working days after the meeting.

6. PAYMENTS

6.1 The DMRE will not make an upfront payment to a successful service provider. Payment will only be made in accordance with payment plan and delivery of service; **e.g. consolidated Monthly Report & Certificates of Analysis** (COA's), and upon receipt of an **Original invoice**.

7. COMPLETION DATE

7.1 The duration of the project is for a period of three (3) years upon signing of the Service Level Agreement.

8. COMPULSORY INFORMATION SESSION

8.1 Briefing session will be held in on **22 June 2021** at the DMRE, at 192 Corner Paul Kruger and Visagie Streets at **10H00**.

9. TAX CLEARANCE CERTIFICATE

9.1 The potential service provider must ensure compliance with their tax obligations.

9.2 The potential service provider is required to submit their unique personal identification number (pin) issued by SARS to enable the organ of state to view the taxpayer's profile and tax status.

9.3 Application for tax compliance status (TCS) or pin may also be made via e-filing. In order to use this provision, taxpayers will need to register with SARS as e-filers through the website www.sars.gov.za.

9.4 The potential service provider may also submit a printed TCS together with the proposal.

9.5 In proposals where consortia / joint ventures / sub-contractors are involved; each party must submit a separate proof of TCS / pin / CSD number.

10. CONFIDENTIALITY OF INFORMATION

10.1 The names of all the members of the team must be disclosed for the project prior approval of DMRE. Any changes, replacements and/or additions should be submitted for prior approval of DMRE.

10.2 A bidder must disclose if affiliated with a firm or entity that has been hired (or is proposed to be hired) by DMRE or the lender.

11. TERMS AND CONDITIONS

11.1 Service Level Agreement will be entered into with the successful service provider which will include, *inter alia*, obligations of the DMRE and the successful service provider;

11.2 The DMRE reserves the right to appoint more than one service provider for the project;

11.3 The DMRE reserves the right to instruct the service provider to sample and test petroleum products and have results available within 24 hours as and when required and/ or in an emergency situation;

11.4 The successful service provider must have own laboratory for testing to ensure the integrity of samples tested is maintained;

11.5 The successful service provider must develop detailed project schedule/ plan for the sampling and testing project;

11.6 The successful service provider must create a database on the work performed under the contract and create a link for DMRE use for ease retrieval of documents;

11.7 The successful service provider must develop a detailed disposal process/ procedure for both passed and failed samples. The disposal process will be subject to DMRE consideration and approval;

11.8 The DMRE Project Manager or delegated official will from time to time conduct physical inspection at the service provider's laboratory where samples are being tested and stored;

11.9 The successful service provider must transfer skills in the field of fuel quality monitoring and compliance enforcement during the duration of the contract through targeted training provided by accredited institution of higher learning and/ or relevant SITA. Further, such training shall be conducted in line with Skills Development Act 2008, as amended.

11.10 The skill transfer is incorporated in the evaluation criteria (paragraph and the successful service provider is expected to report quarterly in line with the Skills Development Act or Skill Development element of B-BBEE codes.

11.11 The successful service provider must conduct quarterly audit of retained samples and provide report of same to the Project Manager for further verification;

11.12 All fuel sampling and testing to be in line with International Best Practice and SABS petroleum / fuel industry standard;

11.13 The service provider will be required to strictly adhere to DMRE sampling and testing Standard Operating Procedures to be made available by DMRE; and

11.14 The successful service provider will be required to submit payment schedule providing projections for the period of 12 months on work performed.

12. EVALUATION METHODOLOGY

12.1 Cost

12.1.1 The service provider will be requested to provide a quote regarding the work to be undertaken for this project and <u>such should include travelling and accommodation cost, this cost should be in line with the National treasury costs containment measures</u>;

12.1.2 The quotation value must present clear indication of budget allocated for the duration of the project which will be payable by the DMRE to the service provider upon satisfactory work delivery, provision of monthly report and Certificates of Analysis (COA's);

12.1.3 The total cost of the project must include costs for buying of fuel (Diesel and Petrol) at all service stations for sampling and testing purposes which will be remunerated in accordance with the regulated prices;

12.1.4 The total cost must be VAT inclusive and should be quoted in South African Rands. This should include payment schedules linked to deliverables. Disbursements will be in equal payments according to set milestones; and

12.1.5 The proposed payment schedule that DMREs not match the quantity and quality of work done shall not be considered.

13. BROAD-BASED BLACK ECONOMIC EMPOWERMENT

13.1 Provisions of the Preferential Procurement Policy Framework Act (PPPFA) 2017 and its Regulation will apply in terms of awarding points.

13.2 Bidders are required to submit original and valid B-BBEE Status Level Verification Certificates or certified copies thereof together with their bids, to substantiate their B-BBEE rating claims.

13.3 Bidders who do not submit their B-BBEE status level verification certificates or are non-compliant contributors to B-BBEE will not qualify for preference points for B-BBEE.

13.4 Accounting Officers must ensure that the B-BBEE Status level Verification Certificates submitted are issued by the following agencies:

(a) Verification agencies accredited by SANAS

13.5 Bidders who qualify as EMEs and QSEs must submit::

(a) Sworn affidavit signed by the EME or QSE representative; and attested by a commissioner of oaths.

13.6 The table below depicts the B-BBEE status level of contribution:

B-BBEE Status Level of Contributor	Number of points (80/20 system)
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

13.6 Company Experience

13.6.1 Service providers should at least have **ten (10) years practical experience** in the fuel testing, sampling and analysis, deep knowledge of the South African petroleum industry, industry trends and related policies, industry best practices and legislations. Demonstrate capability of analysing fuel samples using internationally accepted best methods, good ability to collate and interpret data and make recommendations thereof, demonstrate skills in project management, demonstrate communication, writing and presentation skills.

13.6.2 Content supported by proof from **3 contactable referees** indicating that similar project was executed should be attached. Failure to attach proof will result in the service provider forfeiting points.

13.7 Team leader and team members' experience

13.7.1 Team Leader must have at least **seven (7) years practical experience** and individual team members must have at least a minimum of **five (5) years practical experience** in the fuel testing, sampling and analysis, deep knowledge of the South African petroleum industry, industry trends and related policies and legislations, demonstrate capability of analysing fuel samples using internationally accepted methods, good ability to collate and interpret data and make recommendations thereof, demonstrate skills in project management, demonstrate communication, writing and presentation skills.

13.7.2 CV's of the team leader and team members must be attached to the technical proposal as proof.

13.8 Qualification

13.8.1Team leader and team members must possess a minimum of a **bachelor's degree in the relevant discipline (i.e. Chemistry or Petrochemical engineering)**.

13.8.2 Copy of certified certificates of the team leader and team members must be attached to the technical proposal as proof. **Failure to attach proof, bidders will forfeit functionality points.**

13.9 Project Plan

13.9.1 Project plan with intermediate and final outputs and identified time frames / milestones;

13.9.2 Proposed Methodology;

13.9.3 Management of the project

13.10 Skills Transfer Plan

13.10.1Service providers are required to demonstrate how they will transfer skills during the duration of the project.

14. EVALUATION CRITERIA

14.1 Bids will be evaluated on 80/20-point system as outlined in the PPPFA of 2017. The proposals will be evaluated in two phases:

Phase 1: Bidders will be evaluated based on functionality. The minimum threshold for functionality is **70 out of 100 points**. Bidders who fail to meet minimum threshold will be disqualified and will not be evaluated further for price points.

No	Criteria	Scoring	Weights
1	**Company Experience:**		**20**
	❖ Service providers should at least have ten (10) years practical experience in the fuel testing, sampling and analysis, deep knowledge of the South African petroleum industry, industry trends and related policies and legislations. Demonstrate capability of analysing fuel samples using internationally accepted methods, good ability to collate and interpret data and make recommendations thereof.	12 years or more = 5 points 11 years=4 points 10 years=3 points 7 to 9 years = 2 points 6 years or less =1 point	15
	❖ Proof from 3 contactable referees indicating that similar project was executed should be attached.	5 letters or more =5points 4 letters = 4 points 3 letters = 3 points 2 letters = 2 points 1 letter = 1 point	5
2	**Team leader and team members**:		**20**
	(i) Team Leader must have at least seven (7) years practical experience in fuel	9 years or more = 5 points	10

	testing, sampling and analysis, deep knowledge of the South African petroleum industry, industry trends and related policies and legislations, demonstrate capability of analysing fuel samples using internationally accepted methods, good ability to collate and interpret data and make recommendations thereof, demonstrate skills in project management, demonstrate communication, writing and presentation skills.	8 years= 4 points 7 years= 3 points 4 to 6 years = 2 points 3 years or less =1 point	
	(ii) Individual team members must have at least five (5) years practical experience in fuel testing, sampling and analysis, deep knowledge of the South African petroleum industry, industry trends and related policies and legislations, demonstrate capability of analysing fuel samples using internationally accepted methods, good ability to collate and interpret data and make recommendations thereof, demonstrate skills in project management, demonstrate communication, writing and presentation skills. (iii) CV's must be attached as proof.	7 years or more = 5 points 6 years =4 points 5 years =3 points 3-4 years =2 points 2 year or less =1 point	10
3.	**Qualifications**: (i) Team leader must possess a minimum of a bachelor's degree in the relevant	Masters and above = 5 points	**20** **10**

	discipline (i.e. Chemistry or Petrochemical engineer). (ii) Team members must possess a minimum of a bachelor's degree in the relevant discipline (i.e. Chemistry or Petrochemical engineer) and Proof of certified certificates must be attached.	Honours degree = 4 points Degree = 3 points Diploma = 2 points No Degree = 1 point Masters and above = 5 points Honours degree = 4 points Degree = 3 points Diploma = 2 points Matric = 1 point	**10**
4	**Project Plan**: Detailed Project/ Execution Plan and Management should be attached. (i) Project plan with intermediate and final outputs and identified timeframes/milestones. (ii) Proposed Methodology; and (iii) Management of the project.	Detailed project plan with project deliverables and detailed logistics plan, milestones, scope, schedule, cost, resources & clear proposed methodology=5 points Detailed project plan with project deliverables inadequate logistical plan, milestones, scope, schedule, cost, resources & clear proposed methodology = 3 points	**35**

		Inadequate Project and logistical plan and with project deliverables, milestones, scope, schedule, cost, resources & without any clear proposed methodology = 2 points No Project and logistical plan=1 point	
5	**Skill Transfer Plan:** Have capacity for internship that is inline aligned with relevant SETAs PIVOTAL skills programme	Detailed Proof of capability to Transfer skill =5 points Non submission of proof of capability Transfer skill not provided=1 point	**5**
Total			**100**

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

1=	**Very poor**	Will not be able to fulfil the requirements
2=	**Poor**	Will not be able to fulfil the requirements
3=	**Average**	Will partially fulfil the requirements
4=	**Good**	Will be able to fulfil the requirements
5=	**Excellent**	Will fully fulfil the requirements

Phase 2:

Bid will be evaluated on the 80/20 preference point system as outlined in the PPR of 2017:

Price	**80**
B-BBEE compliance	**20**

15. FORMAT AND SUBMISSION OF THE PROPOSAL

15.1 All the standard bidding documents (SBD) must be completed in all respects by bidders. Failure to comply will invalidate a bid.

15.2 Bidders are requested to submit two (2) copies: 1 original plus and 1 copy of the Proposal and pricing

15.3 A two-envelope system will be used for the evaluation of bidders, the first envelope must contain the technical proposal only, and the second envelope must contain the price only.

16. CLOSING DATE

16.1 Proposals must be submitted on or before **02 July 2021** at Department of Mineral Resources and Energy, 192 Corner Visagie and Paul Kruger Streets, Pretoria in the bid box marked Department of Mineral Resources and Energy. **No late bids will be accepted.**

17. ENQUIRIES

17.1 All Technical Enquiries to be directed in writing to:

Mr Ngwako Kekana
Tel: 012 406 7583
Email: ngwako.kekana@dmre.gov.za

17.2 All Bid enquiries should be directed to:

Mr. Samuel Msiza

Tel: 012 406 7910

Email: Samuel.Msiza@dmre.gov.za

Or

Ms. Nonhlanhla Zingwevu

Tel: 012 444 3055

Email: Nonhlanhla.Zingwevu@dmre.gov.za