

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:	NT010-2022	CLOSING DATE:	22/07/2022	CLOSING TIME:	11:00 AM
DESCRIPTION	APPOINTMENT OF A SERVICE PROVIDER TO DEVELOP AND IMPLEMENT A SUPPLY CHAIN MANAGEMENT (SCM) COMPLIANCE RISK ASSESSMENT AND COMPLIANCE MONITORING PLAN IN ALL SPHERES OF GOVERNMENT FOR A PERIOD OF TWO (2) YEARS.				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).					

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE FOLLOWING ADDRESS:

TENDER INFORMATION CENTRE (TIC)
DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)
240 Madiba Street, Pretoria

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					
	TCS PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		☐ Yes ☐ No
IF YES, WHO WAS THE CERTIFICATE ISSUED BY?					
AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA) AND NAME THE APPLICABLE IN THE TICK BOX	☐	AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)			
	☐	A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS)			
	☐	A REGISTERED AUDITOR			
	☐	NAME:			
[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 PART B:3 BELOW]
SIGNATURE OF BIDDER		DATE	
CAPACITY UNDER WHICH THIS BID IS SIGNED (Attach proof of authority to sign this bid, e.g. resolution of directors, etc.)			
TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE (ALL INCLUSIVE)	
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:	
DEPARTMENT/ PUBLIC ENTITY	National Treasury	CONTACT PERSON	
CONTACT PERSON	NTAdministrativeTenders@Treasury.gov.za	TELEPHONE NUMBER	
TELEPHONE NUMBER		FACSIMILE NUMBER	
FACSIMILE NUMBER		E-MAIL ADDRESS	
E-MAIL ADDRESS	NTAdministrativeTenders@Treasury.gov.za		

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 ONLINE	
1.3.	BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.	
1.4.	WHERE A BIDDER IS NOT REGISTERED ON THE CSD, MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS MAY NOT BE SUBMITTED WITH THE BID DOCUMENTATION. B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.	
1.5.	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 LEGISLATION OR SPECIAL CONDITIONS OF CONTRACT.	
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 VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.	
2.3	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.	
2.4	BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.	
2.5	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.	
2.6	WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.	
3.	QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS	
3.1.	IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	☐ YES ☐ NO
3.2.	DOES THE BIDDER HAVE A BRANCH IN THE RSA?	☐ YES ☐ NO
3.3.	DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	☐ YES ☐ NO
3.4.	DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?	☐ YES ☐ NO
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO OBTAIN A TAX COMPLIANCE STATUS / TAX COMPLIANCE SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.		

NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

TERMS OF REFERENCE

NT010-2022: APPOINTMENT OF A SERVICE PROVIDER TO DEVELOP AND IMPLEMENT A SUPPLY CHAIN MANAGEMENT (SCM) COMPLIANCE RISK ASSESSMENT AND COMPLIANCE MONITORING PLAN IN ALL SPHERES OF GOVERNMENT FOR A PERIOD OF TWO (2) YEARS.

CLOSING DATE: 22 July AT 11:00 AM

VALIDITY PERIOD: 90 DAYS

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1. INTRODUCTION

- 1.1** Several supply chain management (SCM) reforms have taken place in the South African public sector. In order to improve implementation of these SCM reforms and its prescripts to ensure that all decisions taken are in pursuance of the ethos and principles of Section 217 of the Constitution, the understanding of risks associated with non-compliance and their implications must be understood to ensure that efforts to address them are focused and coordinated.
- 1.2** Therefore, the objective of this project is to improve the level of SCM legislative compliance in all spheres of government by organs of state as governed by Public Finance Management Act, 1 of 1999 and Municipal Finance Management Act, 56 of 2003, read together with the Municipal Systems Act.
- 1.3** By law, National Treasury must make regulations and issue instructions applicable to all departments, constitutional institutions, municipalities and their entities, public entities and all state organs with regards to public financial management. Therefore, National Treasury (NT) requires a suitably skilled and qualified service provider to assist the Supply Chain Management Governance, Monitoring and Compliance Unit in the Office of the Chief Procurement Officer (OCPO) to develop and implement a SCM compliance risk assessment and assist in the implementation of the compliance monitoring plan in all spheres of government for a period of two (2) years.
- 1.4** These Terms of Reference therefore seeks to solicit the services of an experienced and competent service provider to support the National Treasury with the development and implementation of a SCM *Compliance risk assessment and Monitoring Plan* for all state organs to improve compliance with public sector supply chain management prescripts for a period of two (2) years.

2. OBJECTIVE AND SCOPE

- 2.1** The purpose of this project is to assist accounting officers and accounting authorities to improve service delivery and achievement of government goals through improvement of supply chain management performance, specifically *Compliance* with public sector supply chain management prescripts for improved service delivery.
- 2.2** The successful service provider will be required to conduct a well-researched, content relevant, quality assured and approved *Compliance risk assessment* that will form basis for the development and implementation of *Compliance Monitoring Plan* across all spheres of government.

- 2.3** The framework to be used will at least capture the requirements of section 217 of the constitution, PFMA and its regulations, MFMA and its regulation, PPPFA and its regulations, MSA, National Treasury Circulars and Instruction Notes and all other relevant SCM prescripts.
- 2.4** The work should be in line with the Generally Accepted Compliance Practice Framework issued by the Compliance Institute of South Africa and other National Treasury issued frameworks and guidelines related to public sector SCM.
- 2.5** The *SCM Compliance risk assessment and Monitoring Plan* must be relevant to state institutions and must also address the compliance deficiencies identified by the Auditor-General in the General Reports on procurement audit outcomes and in the audit reports of state organs. The *Compliance risk assessment and Monitoring Plan* must be accompanied by a set of MS PowerPoint slides that will assist the National Treasury when conducting advocacy sessions on the *Compliance risk assessment and Monitoring Plan*.

3. SPECIFIC WORK

The service provider will have to perform the following activities in order to deliver on the *Compliance risk assessment and Monitoring Plan*:

- 3.1** Perform a document review of all public sector supply chain management prescripts (inclusive of both PFMA and MFMA institutions), General Reports of the Auditor-General, audit reports of all state organs, and other relevant information to identify and assess SCM compliance risks in all spheres of government.
- 3.2** This assignment will **exclude** the infrastructure development programmes relating procurement as per CIDB prescripts.
- 3.3** Perform a review in terms of the Generally Accepted Compliance Practice Framework issued by the Compliance Institute of South Africa and existing frameworks and guidelines issued by the National Treasury as it relates to compliance with public sector supply chain management prescripts.
- 3.4** Collection and analysis of relevant data where necessary.
- 3.5** Conduct research into international public sector SCM trends as well local and international best practices, as it relates to compliance management on public sector supply chain management prescripts.

- 3.6** Develop a *Compliance risk assessment report*, including recommendations for responding to risks assessed,
- 3.7** Develop a two-year *Compliance Monitoring Plan*, and assist in its implementation as a co-source to the SCM GMC unit, by conducting compliance reviews and any other related work included in the monitoring plan
- 3.8** Effect changes to the *Compliance risk assessment report and Monitoring Plan* based on comments received from the key internal and external stakeholders.
- 3.9** Develop a set of MS PowerPoint slides to enable Treasury personnel (National and Provincial) to conduct advocacy sessions.
- 3.10** In order to be regarded as approved, reviewed, and redrafted, the *Compliance risk assessment report and Monitoring Plan* must be endorsed by the Chief Director: SCM Governance Monitoring and Compliance and approved by the Chief Procurement Officer.

4. THE DURATION OF THE CONTRACT

The contract will be valid for a period of 24 months.

5. REPORTS

5.1 Reporting Requirements

The service provider will submit the following reports in English in one original and in an electronic format:

Inception Report of a maximum of 10 pages must be produced within 3 weeks from the start of implementation. In addition to the work programme, the service provider must (in the inception report), describe initial findings, results of gap analyses, progress in collecting data and any difficulties encountered or expected. A schedule of the order in which the SCM Compliance risk assessment and Monitoring Plan will be prepared should be submitted to the Inception Meeting and finalised in the Inception Report. The Service Provider should proceed with his/her work unless the Contracting Authority sends comments on the inception report.

Preliminary versions (interim deliverables) of the SCM Compliance risk assessment and Monitoring Plan and related work in the format as determined by the Chief Director: SCM Governance Monitoring and Compliance. All preliminary versions of the SCM Compliance risk assessment and Monitoring Plan and related work must be

submitted for comments for a period of at least a month with those key internal and external stakeholders above. Thereafter, the preliminary SCM Compliance risk assessment and Monitoring Plan must be amended accordingly and are defined as *Draft versions*.

Draft final report: All draft versions of the SCM Compliance risk assessment and Monitoring Plan must be submitted to the Chief Director: SCM Governance Monitoring and Compliance and to the Office of the Chief Procurement Officer for final review and comment.

Final Report (Final SCM Compliance risk assessment and Monitoring Plan), with the same specifications as the draft versions, incorporating any comments received from the Chief Director: SCM Governance Monitoring and Compliance and the Office of the Chief Procurement Officer on the draft version. The deadline for completing the SCM Compliance risk assessment and Monitoring Plan is 5 working days after receipt of comments on the draft version from the Chief Director: SCM Governance Monitoring and Compliance and the Office of the Chief Procurement Officer. The final report must be provided along with the corresponding invoice.

5.2 Submission and approval of reports

The reports referred to in paragraph 5 above must be submitted to the Project Manager identified in the contract. The Project Manager is responsible for approving the reports. The Chief Director: SCM Governance Monitoring and Compliance and Office of the Chief Procurement Officer are responsible for approving the Inception Report and the final SCM Compliance risk assessment and Monitoring Plan.

6. QUALIFICATIONS, EXPERIENCE AND EXPERTISE REQUIRED

All experts who have a crucial role in implementing the contract are referred to as key experts. The profiles of the **one (1) Team Leader and two (2)** key experts for this contract must be as follows:

Personnel:

a) Team Leader

Qualifications and skills

The Team Leader should have a recognized bachelor's degree in SCM or legal or an equivalent qualification in Public Financial Management.

General professional experience

The Team Leader will preferably have experience in public sector supply chain management environment.

b) Two (2) key experts

1. SCM Expert

The proposed SCM subject matter expert should preferably have a Bachelor's degree in Commerce, Business Management, Financial Management, Legal, Economics or an equivalent qualification, coupled with experience in public sector supply chain management environment.

2. Risk Management expert

The proposed Risk Management subject matter expert should preferably have a Bachelor's degree in Commerce with Risk Management as a subject, coupled with experience in Risk Management environment.

In addition, each of the two key experts (including the team leader) should have the following demonstrable **(evidence required)** knowledge and experience:

- Knowledge and understanding in the structure and functioning of all three spheres of government, including SoEs and Public Entities.
- Experience in working with multiple stakeholders;
- Knowledge and experience in SCM Governance, Risk and Compliance Management;
- Proficiency in report writing and an excellent command of the English language, including the ability to write in English in an uncomplicated and easily understandable way;
- Knowledge and experience of SCM in South Africa and be abreast of latest trends and developments; including its Acts, Policies, Instructions, Norms and Standards;
- All experts must be independent and free from conflicts of interest in the responsibilities they take on.
- **Well-structured and comprehensive three (3) CVs showing past experience should be included in the proposals as evidence for a Team leader and 2 key experts.**

c) Other experts & Support Staff

No other additional CVs to be submitted except for two key experts and the Team leader. The service provider shall select and hire other experts as required according to the needs. The costs for support staff, as needed, are considered to be included in the tenderer's financial offer.

7. EVALUATION PROCESS

The following will be the process that will be followed to evaluate the bids received for the appointment of the service provider for the work to be executed during the two (2) year period of engagement.

7.1 Mandatory Requirements

A paper-based administrative evaluation will be carried out on all the bids received and if the under mentioned documentation is not signed or attached such a bid will be eliminated from any further evaluation.

- a) Proof of company registration on Central Supplier Database Registration (CSD)

NOTE: Additional Required Documents (Not for elimination)

- a) Valid Tax Clearance Certificate and/or SARS issued pin code (which will be verified)

7.2 Bid Submission Requirements

Service providers shall submit a proposal including the composition of the team, the proposed team's profiles, and applicable fees for each category to be utilized in the assignments. CVs are limited to a maximum of 2 key experts and team leader per bid. *It is every bidder's responsibility to ensure that they do not submit CVs of resources that has been submitted by another firm/ bidder. Consent by resource (expert) that will serve as key experts (team lead and subject matter experts) declaring that s/he has agreed to be part of the bidder's tender documents must be submitted.*

7.3 Technical Evaluation

Each panel member will individually evaluate ALL the bids received. The combined scores of all panel members (for functionality) per individual bidder are added together and divided by the number of panelists to obtain an average score for technical evaluation (i.e., meeting the criteria specified for the assignment). The evaluation will be performed as per the table below:

7.4 Functionality Evaluation

A bidder that scores less than **65** points out of **100** as per categories in respect of functionality will be regarded as submitting a non-responsive proposal and will be disqualified

1=Poor; 2=Average; 3=Good; 4=Very good and 5=Excellent

Evaluation Criteria	Weight	Scoring Criteria
1. Project Implementation Plan Demonstrate an understanding of the scope of work and project management approach and methodology that will be used to deliver the desired outcome of this project: • Rationale: Any comments you have on the Terms of Reference for the successful execution of activities, regarding the objectives and expected results, thus demonstrating the degree of understanding of the contract. Your opinion on the key issues related to the achievement of the contract objectives and expected results. An explanation of the risks and assumptions affecting the execution of the contract. • Strategy: An outline of the approach and methodology proposed for contract implementation. A list of the	20	5 = Excellent (All 4 elements are explained in detail) 4 = Very Good (All 4 elements are explained but not in detail) 3 = Good (3 elements are explained in detail) 2 = Average (2 elements are explained in detail) 1 = 1 or no element is explained in detail)

proposed tasks you consider necessary to achieve the contract objectives. Inputs and outputs. The identification & timing of major milestones in the execution of the assignment. • Support Staff: A description of the support facilities (back-stopping) that the contractor will provide to the team of experts during execution of the contract, including the list of staff, capacity of permanent staff regularly intervening as experts on similar projects, organizational structure, etc. which are supposed to ensure that function, as well as the available quality systems and knowledge capitalization methods and tools. • Proposed Work Schedule: The timing, sequence, and duration of the proposed tasks. The expected number of working days required from each category of expert each month during the period of execution of the contract. The methodologies contained in the offer should include a work plan indicating the envisaged resources to be mobilized.		
2. Demonstration of an expertise in <i>compliance risk assessment</i> • The Demonstration of public procurement in Compliance risk assessment expertise. a. Approach and methodology (<u>amongst others</u>)	10	5= Excellent (Meets and exceeds the expected ability to perform the necessary compliance risk assessment and being innovative and creative in the gathering and analysis of data). 4= Very Good (Above average

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- Document review of all public sector supply chain management prescripts (inclusive of both PFMA and MFMA institutions), - General Reports of the Auditor-General, audit reports of all state organs, and other relevant information to identify and assess SCM compliance risks in all spheres of government.		ability to perform the necessary compliance risk assessment and being innovative and creative in the gathering and analysis of data). 3= Good (Satisfactory ability perform the necessary compliance risk assessment and being innovative and creative in the gathering and analysis of data). 2= Average (Limited ability perform the necessary compliance risk assessment and being innovative and creative in the gathering and analysis of data). 1= Poor (Unacceptable, no demonstration of compliance risk assessment approach and methodology submitted or the submitted demonstration does not meet set criteria).
3. Previous company experience in Compliance risk assessment within the Public Sector. • The service provide is expected to provide a thorough public procurement experience in Compliance risk assessment environment • Provide a list of similar projects executed in the past five years demonstrating your experience. • The above list <u>must provide</u> the following information: - Scope of work	10	5= Above 10 similar projects, relevance, value, time and complexity in the public sector 4= 7 to 10 similar projects, relevance, value and time in the public sector 3= 4 to 6 similar projects and relevance in the public sector 2= 1 to 3 similar projects in the public sector 1= None in the public sector

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- Duration of the contract - Value of work - Contact Person and Number of the client's responsible manager		
4. Level of <i>qualifications</i> of all personnel that will be directly engaged in the execution of the project. 4.1 Team Leader (weight=10)	10	Team Leader 5= NQF Level 9+ 4= NQF Level 8 3= NQF Level 7 2= NQF Level 6 1= NQF Level 5 or less
4.2 Expert SCM 1 (weight=5)	5	Expert 1 SCM: 5= NQF Level 9+ 4= NQF Level 8 3= NQF Level 7 2= NQF Level 6 1= NQF Level 5 or less
4.3 Expert Risk Management 2 (weight=5)	5	Expert 2 Risk Management: 5= NQF Level 9+ 4= NQF Level 8 3= NQF Level 7 2= NQF Level 6 1= NQF Level 5 or less
Evaluation Criteria	Weight	Scoring Criteria
5. Experience of the <i>personnel</i> that will be directly engaged in the execution of the project, years' experience in Public Sector SCM environment and Compliance Risk Assessment and Monitoring. 5.1 Team Leader (weight=10)	10	Team Leader 5= 15 and above years of a Team Leader experience 4= 10-14 years of experience as a Team Leader 3= 5-9 years of experience as a Team Leader 2= 2-4 years of experience as a Team Leader 1= 1 years of experience or less

		as a Team Leader
5.2 Expert SCM 1 (weight=15)	15	Expert 1: SCM personnel 5= 10 and above years of experience in Public Sector SCM environment. 4= 8-9 years of experience in Public Sector SCM environment. 3= 6-7 years of experience in Public Sector SCM environment 2= 4-5 years of experience in Public Sector SCM environment 1= 3 years of experience or less in Public Sector SCM environment.

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5.3 Expert Risk Management 2 (weight=15)	15	Expert 2: Compliance risk assessment personnel 5= 10 and above years of experience as Compliance risk assessment. 4= 8-9 years of experience as Compliance risk assessment. 3= 6-7 years of experience as Compliance risk assessment. 2= 4-5 years of experience as Compliance risk assessment. 1= 3 years of experience or less as Compliance risk assessment.
Total Threshold	100	
Minimum	65%	

The Technical evaluation of individual CV's will be carried out as follows:

- Administrative compliance will be determined in accordance with the conditions listed in the Special Considerations section. Only those bids that comply **100%** with these conditions will be considered for further evaluation.
- The scoring of firms that have a number of personnel in a certain category, will be scored on an average basis.
- **Bid Evaluation**
Bids will be evaluated in accordance with the prescripts of the Preferential Procurement Policy Framework Act 5, of 2000 (PPPFA) and NT Supply Chain Management policies. The responsive bids will be adjudicated on the 80/20, with the 80 points being for the functionality proposal and a maximum of 20 points will be awarded to a bidder for being a historically disadvantaged individual and/ or subcontracting with a historically disadvantaged individual and/or achieving any of the specified goals stipulated in regulation 17 of the Preferential Procurement regulations. This will only be noted at this stage. This scoring will be considered when the OCPO is selecting consultants from the panel for a specific assignment.

Requirements for submission

- Please note that in the event where the firm intends utilizing foreign nationals, it must observe Act No. 4 of 2014: Employment Services Act, and Act No. 13 of 2002 IMMIGRATION ACT. The firm will also be expected to prove that:
 - The firm has exhausted all avenues to acquire that particular skill within the country;
 - The personnel have valid work permit;
 - Foreign qualifications have been approved by the SAQA;
 - The personnel will only work on projects, provided that they are granted positive security clearance. They will be required to complete an oaths of secrecy form for that specific project.

8. ACCEPTANCE OF BID(S)

8.1 Implementation plan

The recommended bidder will be required to develop an implementation plan for each phase of the assignment before execution for review and consideration by the NT Project Management Team.

The implementation plan will cover the following:

- (a) The scope and objective of the phase;
- (b) The proposed timeframes to conduct the phase;
- (c) The profiles of the firm's project team to execute the phase;
- (d) The estimated fees for the phase; and
- (e) The deliverables of the phase.

8.2 Professional Registration

Where applicable, proof of professional registration of the service provider must be submitted in the form of certified copies of the relevant registration documents.

8.3 Fraud and Corruption

All prospective service providers are to take note of implications of contravening the Prevention and Combating of Corrupt Activities Act, No.12 of 2004 and any other applicable legislation.

8.4 Registration on the Central Supplier Database

Bidders are required to be registered on the Central Supplier Database (CSD). Failure to comply with the above condition will invalidate the bid.

8.5 Appointment

Should the bid be acceptable, a written letter of acceptance will be issued by the NT and in addition a formal agreement will be entered between the NT and the appointed firm based on an approved implementation plan for each phase of the assignment.



Special Conditions of Contract

NT010-2022:

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CLOSING DATE: 22 JULY 2022 AT 11:00 AM

VALIDITY PERIOD: 90 DAYS

S U P P L Y C H A I N M A N A G E M E N T

A LEGISLATIVE AND REGULATORY FRAMEWORK

This bid and all contracts emanating there from will be subject to the General Conditions of Contract issued in accordance with of the Treasury Regulations 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999). The Special Conditions of Contract are supplementary to that of the General Conditions of Contract. Where, however, the Special Conditions of Contract are in conflict with the General Conditions of Contract, the Special Conditions of Contract takes precedence.

1. EVALUATION PROCESS AND CRITERIA

1.1. All bids will be evaluated in terms of functionality and preference point system which comprises of the following:

1.1.1 Phase I: Initial screening process

In terms of National Treasury Instruction No. 4A of 2016/2017 regarding the National Central Supplier Database (CSD), all bidders must register on the CSD to provide the following information to be verified through the CSD:

- a) Business registration, including details of directorship and membership;
- b) Bank Account holder information;
- c) In the service of the State status;
- d) Tax compliance status;
- e) Identity number;
- f) Tender default and restriction status; and
- g) Any additional and supplementary verification information communicated by National Treasury.

1.1.2 Phase II: Functionality evaluation as per attached Terms of Reference

- a) Bids will be evaluated strictly according to the bid evaluation criteria stipulated in the terms of reference.
- b) The functionality evaluation will be carried out as per evaluation criteria stipulated below.

TABLE 1: FUNCTIONALITY		
<i>CVs are limited to a maximum of 2 key experts and team leader per bid</i>		
Evaluation Criteria	Weight	Scoring Criteria
1. Project Implementation Plan Demonstrate an understanding of the scope of work and project management approach and methodology that will be used to deliver the desired outcome of this project: • Rationale: Any comments you have on the Terms of Reference for the successful execution of activities, in particular regarding the objectives and expected results, thus demonstrating the degree of understanding of the contract. Your opinion on the key issues related to the achievement of the contract objectives and expected results. An explanation of the risks and assumptions affecting the execution of the contract. • Strategy: An outline of the approach and methodology proposed for contract implementation. A list of the proposed tasks you consider necessary to achieve the contract objectives. Inputs and outputs. The identification & timing of major milestones in the execution of the assignment. • Support Staff: A description of the support facilities (back-stopping) that the contractor will provide to the team of experts during execution of the contract, including the list of staff, capacity of permanent staff regularly intervening as experts on similar projects, organizational structure, etc. which are supposed to ensure that function, as well as the available quality systems and knowledge capitalization methods and tools.	20	5 = Excellent (All 4 elements are explained in detail) 4 = Very Good (All 4 elements are explained but not in detail) 3 = Good (3 elements are explained in detail) 2 = Average (2 elements are explained in detail) 1 = 1 or no element is explained in detail)

• Proposed Work Schedule: The timing, sequence, and duration of the proposed tasks. The expected number of working days required from each category of expert each month during the period of execution of the contract. The methodologies contained in the offer should include a work plan indicating the envisaged resources to be mobilized.		
2. Demonstration of an expertise in <i>compliance risk assessment</i> • The Demonstration of public procurement in Compliance risk assessment expertise. a. Approach and methodology (<u>amongst others</u>) - Document review of all public sector supply chain management prescripts (inclusive of both PFMA and MFMA institutions), - General Reports of the Auditor-General, audit reports of all state organs, and other relevant information to identify and assess SCM compliance risks in all spheres of government.	10	5= Excellent (Meets and exceeds the expected ability to perform the necessary compliance risk assessment and being innovative and creative in the gathering and analysis of data). 4= Very Good (Above average ability to perform the necessary compliance risk assessment and being innovative and creative in the gathering and analysis of data). 3= Good (Satisfactory ability perform the necessary compliance risk assessment and being innovative and creative in the gathering and analysis of data). 2= Average (Limited ability perform the necessary compliance risk assessment and being innovative and creative in the gathering and analysis of data). 1= Poor (Unacceptable, no demonstration of compliance risk assessment approach and methodology submitted, or the submitted demonstration does not meet set criteria).
3. Previous company <i>experience</i> in Compliance risk assessment within the Public Sector. • The service provide is expected to provide a thorough public procurement experience in	10	5= Above 10 similar projects, relevance, value, time and complexity in the public sector 4= 7 to 10 similar projects, relevance, value and

Compliance risk assessment environment • Provide a list of similar projects executed in the past five years demonstrating your experience. • The above list <u>must provide</u> the following information: - Scope of work - Duration of the contract - Value of work - Contact Person and Number of the client's responsible manager		time in the public sector 3= 4 to 6 similar projects and relevance in the public sector 2= 1 to 3 similar projects in the public sector 1= None in the public sector
4. Level of qualifications of all personnel that will be directly engaged in the execution of the project. 4.1 Team Leader (weight=10)	10	Team Leader 5= NQF Level 9+ 4= NQF Level 8 3= NQF Level 7 2= NQF Level 6 1= NQF Level 5 or less
4.2 Expert SCM 1 (weight=5)	5	Expert 1 SCM: 5= NQF Level 9+ 4= NQF Level 8 3= NQF Level 7 2= NQF Level 6 1= NQF Level 5 or less
4.3 Expert Risk Management 2 (weight=5)	5	Expert 2 Risk Management: 5= NQF Level 9+ 4= NQF Level 8 3= NQF Level 7 2= NQF Level 6 1= NQF Level 5 or less
Evaluation Criteria	Weight	Scoring Criteria
5. Experience of the personnel that will be directly engaged in the execution of the project, years' experience in Public Sector SCM environment and		Team Leader

Compliance Risk Assessment and Monitoring. 5.1 Team Leader (weight=10)	10	5= 15 and above years of a Team Leader experience 4= 10-14 years of experience as a Team Leader 3= 5-9 years of experience as a Team Leader 2= 2-4 years of experience as a Team Leader 1= 1 years of experience or less as a Team Leader
5.2 Expert SCM 1 (weight=15)	15	Expert 1: SCM personnel 5= 10 and above years of experience in Public Sector SCM environment. 4= 8-9 years of experience in Public Sector SCM environment. 3= 6-7 years of experience in Public Sector SCM environment 2= 4-5 years of experience in Public Sector SCM environment 1= 3 years of experience or less in Public Sector SCM environment.

5.3 Expert Risk Management 2 (weight=15)	15	Expert 2: Compliance risk assessment personnel 5= 10 and above years of experience as Compliance risk assessment. 4= 8-9 years of experience as Compliance risk assessment. 3= 6-7 years of experience as Compliance risk assessment. 2= 4-5 years of experience as Compliance risk assessment. 1= 3 years of experience or less as Compliance risk assessment.
Total Threshold	100	
Minimum	65%	

- b) Individual value scores will be multiplied with the specified weighting for the criterion to obtain the marks scored for all elements. These marks will be added and expressed as a fraction of the best possible score for all criteria.
- c) This score will be converted to a percentage and only bidders that have met or exceeded the minimum threshold of 65% for functionality will be evaluated and scored in terms of pricing and socio-economic goals as indicated hereunder.
- d) Any proposal not meeting a minimum score of 65% for functionality proposal will be disqualified and the financial proposal will remain unopened
- e) The value scored for each criterion will be multiplied with the specified weighting for the relevant criterion to obtain the marks scored for each criterion. These marks will be added and expressed as a fraction of the best possible score for all criteria.

1.1.4 Phase III: Price/Financial stage and B-BBEE

Price/ Financial proposals must be submitted in South African Rand.

NT reserves the right to negotiate rates submitted by bidders.

2. EVALUATION CRITERIA

- a. In terms of regulation 5 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated by the State on the 80/20-preference point for Broad-Based Black economic empowerment in terms of which points are awarded to bidders on the basis of:
 - The bided price (maximum 80 points)
 - Broad-based black Economic Empowerment as well as specific goals (maximum 20 points)
- b. The following formula will be used to calculate the points for price in respect of bidders with a Rand value up to R50 000 000:

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

Where

P_s = Points scored for comparative price of bid under consideration

P_t = Comparative price of bid under consideration

$P_{\min}$ = Comparative price of lowest acceptable bid

A maximum of 20 points may be awarded to a bidder for being a Broad-Based Black Economic Empowerment and/or subcontracting with a Broad-Based Black Economic Empowerment stipulated in the Preferential Procurement regulations. For this bid the maximum number of Broad-based black Economic Empowerment status that could be allocated to a bidder is indicated in paragraph 3.1.

- c. The State reserves the right to arrange contracts with more than one contractor.

2.1 POINTS

The Preferential Procurement Policy Framework Act 2000 (PPPFA) gazetted on 8 June 2011 (No. 34350) and effective from 7 December 2011. These regulations require bidders to submit valid original or certified copies of their B-BBEE Status Level Certificates from a SANAS accredited verification agency and accredited Auditing firm, the 90/10 preference points systems will be applied in accordance with the formula and applicable points provided for in the respective status level contributor tables in the Regulations.

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-complaint contributor	0

Failure to capture the required status level and to submit the required B-BBEE status level certificates will lead to a zero (0) status level for non-compliant service providers.

- d. The points scored by a bidder in respect of points indicated above will be added to the points scored for price.
- e. Bidders are requested to complete the various preference claim forms in order to claim preference points.
- f. Only a bidder who has completed and signed the declaration part of the preference claim form will be considered for B-BBEE status.
- g. National Treasury may, before a bid is adjudicated or at any time, require a bidder to substantiate claims made with regard to their B-BBEE status.
- h. Points scored will be rounded off to the nearest 2 decimals.
- i. In the event that two or more bids have scored equal total points, the contract will be awarded to the bidder scoring the highest number of points for B-BBEE status. Should two or more bids be equal in all respects, the award shall be decided by drawing of lots.
- j. A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.

k. Joint Ventures, Consortiums and Trusts

- A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- Bidders must submit concrete proof of the existence of joint ventures and/or consortium arrangements. National Treasury will accept signed agreements as acceptable proof of the existence of a joint venture and/or consortium arrangement.
- The joint venture and/or consortium agreements must clearly set out the roles and responsibilities of the Lead Partner and the joint venture and/or consortium party. The agreement must also clearly identify the Lead Partner, with the power of attorney to bind the other party/parties in respect of matters pertaining to the joint venture and/or consortium arrangement.

I. Subcontracting after award of tender

- A person awarded a contract may only enter into a subcontracting arrangement with the approval of the organ of state.
- A person awarded a contract in relation to a designated sector, may not subcontract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- A person awarded a contract may not subcontract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level of contributor than the person concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.

3. MANDATORY REQUIREMENTS

3.1 Proof of company registration on Central Supplier Database Registration (CSD)

FAILURE TO ADHERE TO THE CONDITIONS OF THE BID WILL LEAD TO DISQUALIFICATION.

4. TAX COMPLIANCE STATUS

4.1 Bids received from bidders with a non-compliant tax status may be disqualified with failure to update the Tax Status within 7 days.

5. VALUE ADDED TAX

- 5.1 All bid prices must be inclusive of 15% Value-Added Tax where applicable.

6. CLIENT BASE

- 6.1 National Treasury reserves the right to contact references during the evaluation and adjudication process to obtain information.

7. LEGAL IMPLICATIONS

Successful service providers will enter into a service level agreement with National Treasury.

8. COMMUNICATION

National Treasury may communicate with bidders for, among others, where bid clarity is sought, to obtain information or to extend the validity period. Any communication either by facsimile, letter or electronic mail or any other form of correspondence to any government official, department or representative of a testing institution or a person acting in an advisory capacity for the National Treasury in respect of this bid between the closing date and the award of the bid by the bidder is prohibited.

9. LATE BIDS

Bids received at the address indicated in the bid documents, after the closing date and time will not be accepted for consideration and where applicable, be returned unopened to the bidder.

10. COUNTER CONDITIONS

Bidders' attention is drawn to the fact that amendments to any of the Special Conditions by bidders will result in such bids being disqualified.

11. PROHIBITION OF RESTRICTIVE PRACTICES

- a. In terms of section 4(1) 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:
- directly or indirectly fixing a purchase or selling price or any other trading condition;
 - dividing markets by allocating customers, suppliers, territories or specific types of goods or services; or

- collusive bidding.
- b. If a bidder(s) or contractor(s), in the judgment of the purchaser, has/have engaged in any of the restrictive practices referred to above, the purchaser may, without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered or terminate the contract in whole or in part and 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.

11. FRONTING

- a. The National Treasury supports the spirit of broad based black economic empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background the National Treasury condemns any form of fronting.
- b. The National Treasury, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in bid documents. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry be established during such enquiry/investigation, the onus will be on the bidder / contractor to prove that fronting does not exist. Failure to do so within a period of 14 days from date of notification may invalidate the bid/contract and may also result in the restriction of the bidder/contractor to conduct business with the public sector for a period not exceeding ten years, in addition to any other remedies the National Treasury may have against the bidder/contractor concerned.

12. PRESENTATION

- 12.1 National Treasury may require presentations/interviews from short-listed bidders as part of the bid process.

13. TIMEFRAMES AND FORMAL CONTRACT

Successful bidder(s) will enter into formal contract with the National Treasury.

14. PACKAGING OF BID

The bidder shall place both the sealed Technical Proposal and Price/ Financial Proposal envelopes into an outer sealed envelope or package, and must be clearly marked as follows:

15.1 FUNCTIONALITY/TECHNICAL PROPOSAL

Bid No: NT010-2022

Description: NT010-2022: APPOINTMENT OF A SERVICE PROVIDER TO DEVELOP AND IMPLEMENT A SUPPLY CHAIN MANAGEMENT (SCM) COMPLIANCE RISK ASSESSMENT AND COMPLIANCE MONITORING PLAN IN ALL SPHERES OF GOVERNMENT FOR A PERIOD OF TWO (2) YEARS.

Bid closing date and time: 22 JULY 2022 AT 11H00

Name and address of the bidder:

In this envelope, the bidder shall only address the technical aspects of the bid.

15.2 PRICE/ FINANCIAL PROPOSAL

Bid No: NT010-2022

Description: NT010-2022: APPOINTMENT OF A SERVICE PROVIDER TO DEVELOP AND IMPLEMENT A SUPPLY CHAIN MANAGEMENT (SCM) COMPLIANCE RISK ASSESSMENT AND COMPLIANCE MONITORING PLAN IN ALL SPHERES OF GOVERNMENT FOR A PERIOD OF TWO (2) YEARS.

Bid closing date and time: 22 JULY 2022 AT 11H00

Name and address of the bidder:

In this envelope, the bidder shall provide the price/ financial proposal.

The Technical Proposal envelope must contain one original hard copy document, clearly marked “Original”, and four (4) hardcopies, clearly marked “Copy”. Bidders may attach soft copy in a USB format

16 CONTACT DETAILS

Supply Chain Management, 4th floor at National Treasury,

Private Bag x 115, Pretoria, 0001

Physical address: 240 Madiba Street (Vermeulen), Pretoria

For General enquiries: NTAdministrativeTenders@Treasury.gov.za

PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER: BID NO: NT010-2022

CLOSING TIME 11:00 ON 22 July 2022

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

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY INCLUSIVE OF <u>VALUE ADDED TAX</u>
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NT010-2022: APPOINTMENT OF A SERVICE PROVIDER TO DEVELOP AND IMPLEMENT A SUPPLY CHAIN MANAGEMENT (SCM) COMPLIANCE RISK ASSESSMENT AND COMPLIANCE MONITORING PLAN IN ALL SPHERES OF GOVERNMENT FOR A PERIOD OF TWO (2) YEARS.

Services must be quoted in accordance with the attached terms of reference.

Total cost of the assignment (R inclusive VAT)

R.....

NB: Bidders are also advised to indicate a total cost breakdown for this assignment.

The financial proposal for this assignment should cover for all assignment activities and outputs enumerated above.

2. Period required for commencement with project after acceptance of bid _____
3. Are the rates quoted firm for the full period? Yes/No
4. If not firm for the full period, provide details of the basis on which
Adjustments will be applied for, for example consumer price index.

Any enquiries regarding bidding procedures may be directed to –

Department: National Treasury

Contact Person: NTAdministrativeTenders@Treasury.gov.za

E-mail address: NTAdministrativeTenders@Treasury.gov.za

Any enquiries regarding technical enquiries may be directed to –

Contact Person: NTAdministrativeTenders@Treasury.gov.za

PLEASE REFER TO THE ATTACHED TERMS OF REFERENCE FOR MORE INFORMATION.

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

2. Bidder's declaration

- 2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest¹ in the enterprise, employed by the state? **YES/NO**

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

Full Name	Identity Number	Name of State institution

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

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

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

2.2.1 If so, furnish particulars:

.....

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

2.3.1 If so, furnish particulars:

.....

3 DECLARATION

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

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

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

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

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

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....	
Signature	Date
.....	
Position	Name of bidder

GOVERNMENT PROCUREMENT

GENERAL CONDITIONS OF CONTRACT

NOTES

The purpose of this document is to:

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

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

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

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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 | <p>2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.</p> <p>2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.</p> <p>2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.</p> |
| 3. General | <p>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.</p> <p>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</p> |
| 4. Standards | <p>4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.</p> |
| 5. Use of contract documents and information; inspection. | <p>5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.</p> <p>5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.</p> <p>5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.</p> <p>5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.</p> |
| 6. Patent rights | <p>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.</p> |
| 7. Performance security | <p>7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.</p> |

- 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.

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.