



human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA

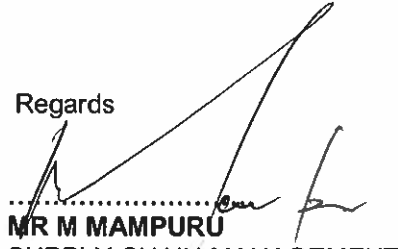
Private Bag X644 Pretoria 0001 RSA Tel (012) 421 1311 Fax (012) 341 8512
Private Bag X9057 Cape Town 8000 RSA Tel (021) 466 7600 Fax (021) 465 3610
<http://www.housing.gov.za> Fraud Line: 0800 701 701 Toll Free Line: 0800 1 46873 (0800 1 HOUSE)

REFERENCE : VA49/734
ENQUIRIES : MS K MALEKA
TELEPHONE : 012 444 9243

BID VA49/734: JOINT DEVELOPMENT PARTNERS ON INTEGRATED HUMAN SETTLEMENTS PROJECTS

- 1 The closing date for the submission of applications/bid documents is **16 November 2021 @ 11:00**. No late applications/bid documents will be considered. All bids must please be placed in the Tender Box situated at the main entrance of (DR. RUTH MOMPATI BUILDING, 260 JUSTICE MAHOMED STREET, SUNNYSIDE, PRETORIA)
- 2 **It is compulsory** that an original proposal/bid documents together with a copy of the proposal /bid document to be handed in on the closing date of the bid. Please clearly mark by writing "Original" and "Copy" on the relevant bid documents.
- 3 You are invited to bid for the services as specified in the attached forms.
- 3.1 The conditions contained in General Conditions of Contracts (GCC) and the attached SBD1, SBD 3.3, SBD4, SBD 6.1, SBD8, and SBD9 as well as any other conditions accompanying this request are applicable.
4. **NATIONAL TREASURY CIRCULAR NO 3 OF 2015/2016**
- 4.1 From 1 April 2016, institutions/departments may not award any bid to a supplier who is not Registered on the Central Supplier Database (**CSD**).
- 5 **Compulsory**: Please attach a most recent copy of CSD registration report
- 6 **No Briefing Session Will be Held.**

Regards


.....
MR M MAMPURU
SUPPLY CHAIN MANAGEMENT
For: **DIRECTOR-GENERAL**
DATE: **20/10/2021**
tendercovlet

Kgoro ya tsa Madulo * Lefapha la Bodulo * Lefapha la tsa Manno * Umyango Wezindawo Zokuhlala * Isebe leNdawo zokuHlala
* Likho Letekwakhela Luntfu* Mensike Nedersettings * Umyango weNdawo ZokuHlala * Muhasho wa zwa Vhudzulo * Ndzawulo ya swa Vutshamo

Breaking new ground in housing delivery - Houses, Security & Comfort

THE DEPARTMENT OF HUMAN SETTLEMENTS

BID NUMBER: BID VA49/734

DESCRIPTION: PROFESSIONAL SERVICE

CLOSING DATE and TIME: 16/11/2021 @11:00

CHECKLIST TO BE COMPLETED BY BIDDERS

TABLE OF CONTENTS:	Yes	No
➤ Invitation Letter/ Cover Letter		
➤ (TOR) Terms of Reference		
➤ SBD1 Invitation To Bid		
➤ SBD3.3 Pricing Schedule		
➤ SBD4 Declaration of Interest		
➤ SBD6.1 Preference Point: Purchases		
➤ SBD8 Declaration of Bidders Past Supply Chain Management Practices		
➤ SBD9 Certificate of Independent Bid Determination		
➤ General Conditions of Contract		
SUPPORTING DOCUMENTS:		
➤ Company Profile		
➤ ID Copies of Directors		
➤ Certificate issued by Registrar of Companies & Close Corporation, issued by CIPRO.		
➤ Certified/Original Valid B-BBEE Status Level Verification Certificate – 07 December 2011		
➤ CSD Status Report		
*** 1 ORIGINAL and 1 COPY OF THE WHOLE BID DOCUMENT***		

COMPANY NAME: _____

SIGNATURE _____

DESIGNATION: _____

DATE: _____

Bid invitation check list: Compiled: K Maleka



human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA

National Priority Projects for Human Settlements Development

REQUEST FOR PROPOSALS

**JOINT DEVELOPMENT PARTNERS ON INTEGRATED
HUMAN SETTLEMENTS PROJECTS**

September 2021

CONTENTS

1	INTRODUCTION	3
2	BACKGROUND AND CONTEXT	3
3	PURPOSE	4
4	APPROACH	5
5	RESPONDENT'S COMMERCIAL STRUCTURE	6
6	SCOPE AND REQUIREMENTS OF RFP SUBMISSIONS	7
6.1	Business Case And Supporting Documentation	7
6.2	Development Requirements	8
7	DURATION OF PROJECTS	9
8	BUDGET COST	9
9	ECONOMIC EMPOWERMENT AND LOCAL BENEFICIATION	10
9.1	Black Economic Empowerment	10
9.2	Economic Empowerment of Women, Youth and Persons with Disabilities	10
9.	Local Beneficiation	11
10	PROPOSAL SUBMISSION – ADMINISTRATIVE REQUIREMENTS	11
11	ASSESSMENT AND EVALUATION PROCESS	12
11.1	Administrative Compliance Assessment	12
11.2	Technical Compliance Assessment	13

1 INTRODUCTION

This request for proposals (RFP) is a joint intergovernmental effort between the National Department of Human Settlements ("the Department"), Provincial Departments of Human Settlements and Municipalities to partner and work with private sector property developers.

On the 15th May 2020, the Minister for Human Settlements, Water and Sanitation declared 136 Priority Human Settlements and Housing Development Areas (PHSHDAs) to achieve spatial transformation and consolidation of human settlements development, which includes revitalising towns and cities and strengthening the livelihoods of households. The central strategy of the PHSHDAs is to enable residents to live closer to areas with economic activities and social amenities such as schools, health facilities and job opportunities as well as access to adequate accommodation.

The intention of the RFP is to invite all stakeholders to draw on public sector investments and funding, with a view to leveraging private investment within a designated geographical area. While the mandate around facilitating access to housing and services is largely vested in the State, and functions appropriated across the three spheres of Government, the participation in the development arena – and specifically residential/ housing development – is, however, open to a wider array of able and willing parties in accordance with their defined goals and objectives. In this regard commercial, communal and philanthropic motives of parties outside the State must be acknowledged in relation to the housing and human settlements delivery value-chain.

2 BACKGROUND AND CONTEXT

Since 1994 national priority projects were used across sectors to ameliorate poverty in our townships and to revitalize our inner cities. In respect of human settlements development, the aim has been to increase the supply of housing at an accelerated pace and to meet the demand while at the same to spatially transform and consolidate towns and cities.

The Department recognized the role of private sector partners and the Breaking New Ground (BNG) Policy (2014) sought to enhance this role. This set the stage for high impact human settlement projects that included a range of BNG projects such as catalytic projects and mega human settlements projects. Several lessons have been learnt about project management and implementation in respect of state subsidised projects and the role of the private sector.

Key among these lessons is that well-planned and well-executed national priority projects can deliver housing at an accelerated pace particularly in the face of rising demand from an expanding urban population and that is affordable to both the public and private sector. Furthermore, there must be balanced partnerships between public and private sector where the risks and proceeds are carried equally by all parties in the partnership, there is effective contracting and governance, and a clear empowerment and transformation pathway exists. The envisioned outcomes of successful partnerships include, but are not limited to:

- i. Value for money for the public funds utilised without compromising the greater social mandate of the State
- ii. Return on investment of the partnering parties
- iii. Successful implementation, completion, and commissioning of projects
- iv. Development of sustainable and integrated human settlements
- v. Fostering of long-term relationships

3 PURPOSE

The State intends to achieve the above and the following outcomes through implementation of its National Priority Projects:

- i. Promote the creation of integrated human settlements
- ii. Promote spatial transformation and consolidation
- iii. Promote social diversity catering for different income groups by providing a mix of housing types and tenure options within the same settlement
- iv. Deliver housing at scale and various typologies to cater for different housing markets
- v. Bring together the technical capabilities and undertake long term planning to elevate the position of urban policies and give it greater traction across the government and other stakeholders
- vi. Introduce innovation (beyond business as usual) to complete work on time and within budget.
- vii. Enhance collaboration and partnerships between government in the creation of sustainable human settlements.

The purpose of this RFP is to invite private developers to submit proposals for integrated residential developments which must deliver housing at scale in an integrated manner, at an accelerated pace and that contribute to spatially transforming and consolidating our cities and towns.

Respondents (entities submitting proposals in response to this RFP, who may be large employers, property financiers or investors, private property developers or special purpose vehicles formed by the preceding and may herein be collectively or individually referred to as “developers” or “the Developer”) are to submit detailed commercial and technical proposals for integrated residential development projects (or “projects”) they propose to undertake, that aim to achieve the State’s goals, as described above, and in accordance with the specifications recorded in this RFP as elaborated further, as well as State policies and regulations that govern the provision of social and integrated housing and the establishment of townships (hereinafter referred to as “Development Proposals”).

4 APPROACH

The State wishes to enter into partnership arrangements with the Respondents, or approve and fund integrated residential developments proposed by the Respondents based on either of the following commercial forms. Respondents must specify in their Development Proposals / Business Cases which form of partnership or approach will apply to their proposal:

(a) Joint Partnership on Privately-owned Land

Through its entity the Housing Development Agency (“the HDA”), the State would enter into an unincorporated joint venture partnership with the Respondent to jointly plan, finance and implement the integrated residential development(s) proposed on privately-owned land located within PSHDAs, or other area(s) as proposed by the Respondent. The HDA would share in the interest and risks of the proposed development undertaken on land owned by the developer/Respondent.

(b) Publicly-funded Integrated Developments on Privately-owned Land

Through its entity, the HDA, the State would provide the Respondent with development or infrastructure funding to plan, finance and implement the integrated residential development(s) proposed by the Respondent on privately-owned land located within PSHDAs, or other area(s) as proposed by the Respondent and approved by the HDA. The type of funding provided, whether in the form of infrastructure grant funding or development finance, would be subject to the merits of the Respondent’s proposal, and the applicable forms of funding available from the State, as well as the policies and regulations that govern the provision of such forms of funding.

Approval of funding or finance by the State or the HDA in either of the above commercial forms will be subject to the following being in place:

- (i) The rights to develop the land being secured, where either the developer is the landowner or a land availability agreement ("LAA") is in place between the developer and landowner;
- (ii) Relevant Land Use and development applications, in accordance with the Spatial Land Use Management Act 16 of 2013 and applicable by-laws, have been lodged with the authority, and where the local authority has indicated its conditional support;
- (iii) The locality of the land is optimal, and such locality advances spatial transformation and consolidation; and
- (iv) The nature of the development is the subject of national or provincial interest and impact.

5 RESPONDENT'S COMMERCIAL STRUCTURE

To achieve the partnership arrangements permitted under section 4 APPROACH, the Respondent may submit its RFP either in the form of a private limited company, or as an incorporated joint venture ("JV") or special purpose vehicle ("SPV"). All JV's or SPV's must be established in accordance with the provisions of the Companies Act No 71 of 2008.

Unincorporated joint ventures, consortia and other forms of partnership may not submit Development Proposals, nor respond to this RFP, and should they do so, such submissions shall not be considered.

In the case where the Respondent is either a JV or SPV, the majority shareholder of such Respondent shall be evaluated for compliance in terms of the requirements of this RFP, on behalf of and as if such shareholder were themselves the Respondent.

The shareholders of the Respondent(s) so identified for partnership with or funding by the State / Department / HDA following evaluation of RFP Submissions / Development Proposals in terms of this RFP, shall be liable to provide the necessary resources and apply the necessary controls to ensure that the Respondent performs in accordance with the terms of the partnership with, or conditions of funding by the State / Department / HDA.

6 SCOPE AND REQUIREMENTS OF RFP SUBMISSIONS

6.1 Business Case and Supporting Documentation

A business case must be attached to the Respondent's submission (Development Proposal) addressing the following (where applicable, the appropriate documents must be attached):

1. Project scope;
2. Locality plan;
3. Project rationale in terms of alignment with
 - a. National development goals;
 - b. Provincial development goals;
 - c. Local development goals;
4. Status of land
 - a. Ownership or land availability agreement;
 - b. Land claims;
 - c. Mineral rights;
5. Status of project preparation/packaging
 - a. Contour survey and mapping;
 - b. Layout plan;
 - c. Geotechnical including dolomitic investigation
 - d. Environmental approvals;
 - e. Engineering services (bulk and reticulation);
 - f. Township establishment
 - g. Blockages;
6. Demand study and market assessment
7. The project's primary economic, social and environmental impacts and primary risks, including a risk register as well as the constraints and dependencies which could limit the benefits
8. Alternatives considered in terms of: locality; layout and land use; socio-economic amenities and non-residential components; alternative solutions for building, infrastructure, services and mobility
9. Rationale for selected (preferred) approach (quantified if possible) in terms of impacts on economic, social and environmental conditions including jobs, economic growth, poverty alleviation, environmental degradation and sustainability, inclusion including gender inclusion.

10. Bulk infrastructure requirements and proposals to address bulk infrastructure requirements. Indication that the bulk infrastructure requirements have been properly canvassed in terms of the Municipal Integrated Development Plans and Capital Investment Framework
11. Project budget and financial model (detailed budget for the project and supporting cost estimates including):
 - a) Bulk and link engineering services;
 - b) Reticulation engineering services;
 - c) Private funding requirements including the financing strategy and commitment
 - d) Public funding requirements (specify):
 - e) Annual development cash flows
 - f) Estimates of 20-year operations and maintenance costs, and
 - g) Expected tariffs/sources of income to repay debt;
12. Project program with defined milestones tied to the budget;
13. Investment plan with an outline of return on investment and proposal on distribution of investment proceeds between parties
14. Project team and project preparation or professional team (assembled and conditionally appointed) including, for each professional consulting company, i.e., architect, engineers, project managers, quantity surveyors, etc.
 - a. Company names and profiles;
 - b. Company representative's details (including contact details);
 - c. Company's assigned professionals' CV's, ID's, qualifications and professional registrations; and
 - d. Applicable professional disciplines for which each company is appointed.
15. Stakeholder engagement plan including results of early stakeholder engagements.
16. Risk management, strategy and plan.
17. Experience of the developer in delivering similar projects.
18. Respondent's project plan to ensure economic empowerment of black persons including black persons who are women, youth or persons with disabilities, and to ensure local beneficiation.

6.2 Development Requirements

Each of the Respondents' proposed Development Proposals or Projects must meet the following specific requirements / conditions:

1. Each must deliver a large scale of housing opportunities – a minimum of 3000 Housing Units and 1500 Serviced Stands over the next three (3) to five (5) years with a minimum of 500 Housing Units and 250 Serviced Stands being completed in any one of the years;
2. Each must include a variety of housing typologies and cover a variety of housing programmes such as *inter alia*, rental housing, gap housing, BNG, social housing and serviced stands;
3. Each must provide mixed income and mixed land uses;
4. Each must be designed to maximise job creation opportunities locally, and specifically assist with the mobilisation and utilisation of the youth brigades;
5. Each must demonstrate a maximum gearing of overall government investment and human settlement-specific investment;
6. Each must demonstrate sustainability over the long term and post project completion and promote and impact on the creation of sustainable integrated human settlements;
7. Each must promote collaboration between the private sector and the State to facilitate efficiency, effectiveness and fast-tracking of project development and delivery;
8. Each must ensure economic empowerment of black persons including black persons who are women, youth or persons with disabilities, and ensure local beneficiation.

7. DURATION OF PROJECTS

Projects may have a multi-year implementation period of between 2 and 6 consecutive years. Development Proposals will be considered non-compliant if the duration of the project falls outside the minimum or maximum implementation period.

8. BUDGET COST

The Development Proposal must present a proposed budget for the complete integrated development project being proposed by the Respondent.

The proposed budget must be guided by the principles of economy and efficiency. All Projects must be costed in South African Rand (ZAR), and expenditure must adhere to the requirements as laid out in the legislation of the Public Finance Management Act (PFMA).

The budget submitted is both a cost estimate and a ceiling for eligible costs of the project. The funding contribution proposed for provision by the State or Department, will cover capital costs and professional fees of the intended Project.

9. ECONOMIC EMPOWERMENT AND LOCAL BENEFICIATION

In line with the State's goals to promote economic empowerment of previously and currently disadvantaged populations, the Respondent is similarly required to promote economic empowerment, primarily within the locality of the development, and through the legitimate inclusion of disadvantaged groups in all aspects of planning, delivery and ownership of the project(s).

a. Black Economic Empowerment

The Respondent shall commit to and ensure that:

1. A minimum of 30% of the shareholding in the entity proposed to plan, execute and own the project or development, is held by black persons (black persons as defined in Broad-Based Black Economic Empowerment Amendment Act 2013 (Act No 46 of 2013)), and that such minimum level of ownership by the black persons is maintained throughout the project's lifecycle. This requirement shall be in place by the due date for submission of the Development Proposal(s) and proof thereof shall be submitted along with the Development Proposal(s); and
2. A minimum of 30% of the value of the project shall be procured from black persons or other legal entities owned in majority by black persons (to the extent that the 30% of value is achieved), and that such procurement shall be distributed reasonably across built environment professionals, consultants, construction material suppliers, plant and equipment suppliers, subcontractors and labourers, etc., so appointed or procured from, and shall be maintained throughout the project's lifecycle. The manner in which such requirement shall be effected and measured must be provided in the Development Proposal(s).

b. Economic Empowerment of Women, Youth and Persons with Disabilities

The Respondent shall commit to and ensure that a minimum of 10% of the value of the project shall be procured from black persons who are either women and/or youth and/or persons with disabilities, or other legal entities owned in majority by black persons who are either women and/or youth and/or persons with disabilities (to the extent that the 10% of value is achieved), and that such procurement shall be distributed reasonably across built environment professionals, consultants, construction materials suppliers, plant and equipment suppliers, subcontractors and labourers, etc., so appointed or procured from, and shall be maintained throughout the project's lifecycle. The manner in which such

requirement shall be effected and measured must be provided in the Development Proposal(s).

c. Local Beneficiation

The Respondent shall commit to and ensure that:

1. Wherever practically possible, and in keeping with the requirements of 9.1 and 9.2, that the developer procures goods, services and labour from entities based in the demarcated wards in which the development is taking place, failing which the local municipality, then district or metropolitan municipality, then province or nationally. The manner in which such requirement shall be effected and recorded must be provided in the Development Proposal(s); and
2. The project(s), the Respondent, and its suppliers and service providers prioritise the population local to the projects when affording empowerment opportunities related to the project, and therewith specifically assist with the mobilisation and utilisation of the local youth brigades.

The requirements for economic empowerment and local beneficiation (as defined in 9.1 and 9.3 above) are made requirements or conditions for all entities providing goods or services to the developer or project(s), e.g., material and equipment suppliers, built environment professionals, consultants, subcontractors, etc., to the extent that minimum requirements defined therein are maintained relative to the value of the total project. The manner in which such requirement shall be effected and maintained and measured must be provided in the Development Proposal(s).

10. PROPOSAL SUBMISSION – ADMINISTRATIVE REQUIREMENTS

The following documents must be submitted with the development proposal(s):

- a) Proof of ownership of land and/or land availability agreements (should the project or development be comprised of multiple properties or portions of land on which township establishment is required or taken place, then the Respondent must show that ownership or land availability agreements are in place for a significant number of the properties or portions)
- b) Completed Bid Documents
- c) Completed Business Case (in MS Word and PDF) plus all supporting approvals, documents, maps and plans etc.

- d) Completed MS Excel Budgets;
- e) Completed Partnership Agreement/s (if applicable);
- f) Completed Results Framework.

Method of Submission of the Development Proposal(s) must include all of the following:

- a) Electronic submission on USB;
- b) Hard Copies x 2;
- c) Email submission of cover letter and business case only (bid documents to be including in hard copies and on USB).

11. ASSESSMENT AND EVALUATION PROCESS

Development Proposals will undergo an intensive assessment and evaluation process by the Department, which will consist of 2 distinct stages, namely:

a. Administrative Compliance Assessment

The Administrative Compliance stage of assessment includes, or requires that:

- a) Administrative Compliance Check that assesses whether all the submitted Development Proposals have observed all the rules and protocols set out in this RFP;
- b) Eligibility Compliance Check which assesses whether the Development Proposals that have passed the administrative compliance check align to the following minimum requirements:
 - i. The following technical information (as per section 5) is provided with the submission (information must be clear, qualified and verifiable):
 - Project scope;
 - Locality plan;
 - Status of land (proof of ownership / land availability agreement, status regarding land claims, status regarding mining rights);
 - Proof of submission of application for township(s) establishment and any response from the local authorities.
 - ii. The planned implementation period is more than 2 years and less than 6 years per Development Proposal or Project;
 - iii. The minimum number of Housing Units and Serviced Stands planned per Development or Project is 3000 and 1500 respectively;

- iv. The application for township establishment is submitted before, or on, the due date and time for submission of the Development Proposal(s) (RFP closing date and time) and that conditional support for the Project(s) is received from the local authority;
 - v. The minimum 30% shareholding by black persons in the Respondent or developer is in place and secured by shareholders' agreement with fair commercial terms;
 - vi. The Development Proposal(s) commit to and provides an implementation plan to achieve the minimum requirements for economic empowerment and local beneficiation;
 - vii. The Project or Development is located within one of the gazetted PSHDAs;
 - viii. The Respondent submits their proposal(s) as either a private limited company or an incorporated joint venture.
- c) Should the Respondent and Development Proposal not meet the minimum requirements reviewed as part of the Administrative and Eligibility Compliance Checks, then such Respondent and respective Development Proposal(s) shall be disqualified from the RFP process and no further evaluation shall take place;
- d) Development Proposals that meet the minimum requirements for Stage 1 shall proceed to be evaluated in accordance with Stage 2 criteria – Technical Compliance Assessment.

b. Technical Compliance Assessment

The Technical Compliance Assessment stage of the evaluation process includes or requires that:

- a) Development Proposal(s) be assessed for technical compliance jointly by the National Department of Human Settlements, Provincial Departments of Human Settlements, Metropolitan and Local Municipalities;
- b) Technical compliance will be assessed based on functionality assessment criteria that have been developed by the Department and defined in Table 1 below. Any projects scoring below 70 of the points noted in Table 1 will be disqualified and will not be eligible for further evaluation or consideration.

Table 1: Functionality Assessment Criteria

	CRITERIA	WEIGHTING/ POINTS
Developer Profile and management resources	Respondent to submit a schedule of the developer's employed management resources, qualified and experienced in managing property development projects at scale, and in regard to the above provide the following (3)	10

	• Organogram - director level to development management level – 1 point: • CV of each member (as reflected in organogram – 1 point • Certified copies of qualifications and certificates of professional registration where applicable – 1 point Full complement of (relevantly) qualified and experienced management resources (as referred to above) necessary to manage the Project are provided for by the developer (7) • Executive personnel – 1 point • Technical personnel – 5 points • Financial and administrative personnel – 1 point	
Experience of the company (developer)	Developer has successfully completed residential developments providing a minimum of 1500 housing units per development including all planning, design, installation of engineering services, construction of top structures Attached letters of appointment / partnerships, signed reference letters of successful completion or other certifiable proof of development having been undertaken successfully – both public and private sectors – (20): ▪ 1 Project = 10 points ▪ 2 Projects = 15 points ▪ 3 Projects = 18 points ▪ 4 projects and above - 20 points At least one of the projects completed within the last number of years (5): ▪ 0 to 2 years - 5 points ▪ 3 to 5 years – 3 points ▪ 6 years and beyond - 1 point	25
Business Case	The business case is professionally drafted and compiled, concise and complete, and clearly responds to the requirements of this RFP, and supporting documentation attached and information provided is in accordance with points 1 to 18 of section 6 "SCOPE AND REQUIREMENTS OF RFP SUBMISSIONS". Information and documentation provided: ▪ Is quantified, measurable, verifiable, accurate and integrated with other information provided;(1) ▪ Supports the outcomes or objectives of the Development Proposal;(3) ▪ Aligns or support all other requirements of this RFP.(1) = (5)	25

	The following documents or information is provided, and in accordance with the above requirements: • Project prep studies and information (geotechnical and environmental studies and approvals, engineering services, township establishment application (3) • Project budget, financial model and Investment Plan (3) • Programme (2) • Demand Study or Market Study (2) • Bulk and Link engineering services infrastructure (2) • Economic, social and environmental impact – intended impact and possible risks (2) • Rationale for development in relation to national, provincial and local development goals (2) • Information regarding project team and professional team (2) • Stakeholder engagement activities and outcomes (1) • Risk register, risk management strategy and plan (1) = (20)	
Project delivery (Respondent's proposal must detail in terms of each of the CRITERIA: ○ The specific and measurable targets set to verify success; ○ The plans, methodologies, activities and resources and systems to be applied to achieve the set targets; ○ The methods and frequencies for verification of the level of achievement of the set targets.	• A variety of housing typologies and covering a variety of housing / funding programmes such as <i>inter alia</i>, rental housing, gap housing, BNG, social housing and serviced sites (10): ○ Distinct typologies • 2 = 1 point • 3 = 2 points • 4 = 3 points • 5 or more = 5 points ○ Number of housing and/or funding programmes applied: • 2 = 1 point • 3 = 2 points • 4 = 3 points • 5 or more = 5 points • Maximises job creation opportunities locally and specifically assist with the mobilization and utilization of the youth brigades (10) • Demonstrate a maximum gearing of overall government investment and human settlement-specific investment (5) • Demonstrate sustainability over the long-term and post project completion and promote and impact on the creation of sustainable integrated human settlements (5) • Projects that promote collaboration between the private sector and government to facilitate	10 10 5 5 10

	efficiency, effectiveness and fast-tracking of project development and delivery (10)	
TOTAL		100

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER: VA49/734		CLOSING DATE: 16 NOVEMBER 2021		CLOSING TIME: 11:00	
DESCRIPTION: JOINT DEVELOPMENT PARTNERS ON INTEGRATED HUMAN SETTLEMENTS PROJECTS					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
THE NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS,					
DR RUTH MOMPATI BUILDING					
260 JUSTICE MAHOMED STREET,					
SUNNYSIDE, PRETORIA					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	MS M HITGE, MS K MALEKA		CONTACT PERSON	MR FANNIE MOTSUMI	
TELEPHONE NUMBER	012 444 9239/9243		TELEPHONE NUMBER		
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	khazeka.maleka@dhs.gov.za		E-MAIL ADDRESS	Fannie.motsumi@dhs.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:

PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER:	BID NO.: VA49/734
CLOSING TIME 11:00	CLOSING DATE 16/11/2021

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

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

BID VA49/734: JOINT DEVELOPMENT PARTNERS ON INTEGRATED HUMAN SETTLEMENTS PROJECTS

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	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 air travel, 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.

- 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 –

THE NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS, 240 JUSTICE MAHOMED STREET, GOVAN MBEKI HOUSE, SUNNYSIDE, PRETORIA, 0002

MS M HITGE / MS K MALEKA

Tel: 012 444 9239 or 012 444 9245

DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state¹, 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 a price quotation, advertised competitive bid, limited bid or proposal). 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, shareholder²):
 - 2.4 Company Registration Number:
 - 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 attached proof of such authority to the bid document? YES / NO

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

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

.....
.....
.....

YES/NO

.....
.....
.....

YES/NO

```
.....  
.....  
.....
```

[illegible]

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 IN TERMS OF
PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION
PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of bidder

May 2011

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 **not to exceed** R50 000 000 (all applicable taxes included) and therefore the **.....80/20.....** preference point system shall be applicable; or

b) 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 OR 90/10 PREFERENCE POINT SYSTEMS

A maximum of 80 or 90 points is allocated for price on the following basis:

80/20

or

90/10

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right) \quad \text{or} \quad P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

P_s = Points scored for price of bid under consideration

P_t = Price of bid under consideration

$P_{\min}$ = 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 (90/10 system)	Number of points (80/20 system)
------------------------------------	---------------------------------	---------------------------------

1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	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:

- What percentage of the contract will be subcontracted.....%
- The name of the sub-contractor.....
- The B-BBEE status level of the sub-contractor.....
- 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.

2.

.....
SIGNATURE(S) OF BIDDERS(S)

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 <i>audi alteram partem</i> 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:		

SBD 8

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 bids¹ 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.

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 consortium³ 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

Js914w 2

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

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Contract amendments
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Dumping and countervailing duties
25. Force Majeure
26. Termination for insolvency
27. Settlement of disputes
28. Limitation of liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. National Industrial Participation Programme (NIPP)
34. Prohibition of restrictive practices

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.

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| 16. Payment | <p>16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.</p> <p>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.</p> <p>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.</p> <p>16.4 Payment will be made in Rand unless otherwise stipulated in SCC.</p> |
| 17. Prices | <p>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.</p> |
| 18. Contract amendments | <p>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.</p> |
| 19. Assignment | <p>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.</p> |
| 20. Subcontracts | <p>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.</p> |
| 21. Delays in the supplier's performance | <p>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.</p> <p>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.</p> <p>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.</p> <p>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</p> |

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.

Js General Conditions of Contract (revised July 2010)