Western Cape Government

DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING
REFERENCE: DEA&DP3/2026
ENQUIRIES: Donna Swartz
TEL: (021) 483 4471
Donna.Swartz@westerncape.gov.za
www.westerncape.gov.za/eadp

YOU ARE HEREBY INVITED TO BID FOR THE REQUIREMENTS OF THE WESTERN CAPE GOVERNMENT (WCG):
DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING

BID NUMBER: DEA&DP3/2026	CLOSING DATE: 21 September 2026	CLOSING TIME: 11h00

APPOINTMENT OF A SERVICE PROVIDER TO UNDERTAKE HOUSING MARKET STUDIES IMPLEMENTATION: ROUND 3, THROUGH THE DEVELOPMENT OF A PRO FORMA DRAFT INCLUSIONARY HOUSING POLICY, A PRO FORMA DRAFT AFFORDABLE HOUSING ENABLEMENT POLICY, THE UNDERTAKING OF THREE INCLUSIONARY HOUSING FEASIBILITY STUDIES, AND THE PROVISION OF MUNICIPAL CAPACITY SUPPORT IN DEVELOPING AN INCLUSIONARY HOUSING POLICY FOR ONE MUNICIPALITY IN THE WESTERN CAPE, OVER AN 18-MONTH PERIOD FOR THE DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING, CAPE TOWN, WESTERN CAPE

The successful bidder will be required to complete and sign a written contract form (WCBD 7.1).

BID DOCUMENTS MUST BE POSTED TO:	**The Head: Supply Chain Management** **Department of Environmental Affairs and Development Planning** **Private Bag X9086** **Cape Town** **8000** Bidders need to ensure that their proposals are posted well in advance to reach the Department before the specified bid closure date and time since late bid documentation will not be considered.
OR	
DEPOSITED IN THE BID BOX SITUATED IN:	**Ground Floor Front Entrance** **Utilitas Building** **1 & 3 Dorp Street** **Cape Town** The bid box will be accessible every day for 24 hours until the specified bid closure date & time, late bid documentation will not be considered.

1. Please ensure that bids are delivered **to the correct address on time**. If the bid is late, it will not be accepted for consideration. If you are uncertain about the location of the bid box, please call the responsible official, Donna Swartz (021) 4834471, or email DEADP.SCMHelpdesk@westerncape.gov.za for assistance during office hours.

2. Please submit your bid on the official, **not re-typed** forms. Only original, signed documents will be considered. **Failure to complete and sign the bidding documents, certificates, questionnaires, and specification forms in all respects will invalidate the bid.**

3. Each bid must be deposited in a **sealed envelope** with the **name and address of the bidder, the bid number, and the closing date**. The envelope shall not contain documents related to any bid other that indicated on the envelope.

4. **All Bidders must be registered on the Central Supplier Database (CSD) at the time of bid closing.**

Any prospective **unregistered bidders** must register as a supplier on the **CSD** prior to bidding.

	Central Supplier Database
Self-registration	www.csd.gov.za ***(self-registration only)***

5. **Bidders already registered on the CSD** must have confirmation of their registration, by contacting www.csd.gov.za, AND ensure that their status is up to date prior to bidding.

6. **In instances where a bidder's tax compliance status cannot be verified or if a bidder's tax status is non-compliant on the CSD, the bidder will be afforded 7 working days to confirm tax compliance for the bid to be considered.**

7. Only the B-BBEE status reflected **on form WCBD 6.1 included in the bid document** will apply to the evaluation of the relevant formal bids and **not the B-BBEE status on CSD**. Bidders are further required to complete the attached **form WCBD 4 and include it in the Bid document.**

8. All other mandatory information held on CSD will be accepted by the Western Cape Department of Environmental Affairs and Development Planning for the consideration of formal bids.

9. This bid is subject to the General Conditions of Contract (GCC) and, if applicable, any other Special Conditions of Contract.

10. **The 80:20 Points System is applicable to this bid.**

11. Please refer to all technical/specification enquiries to Allan Rhodes by email: DEADP.SCMHelpdesk@westerncape.gov.za and Allan.Rhodes@westerncape.gov.za

Digitally signed by Donna D Swartz (56155689)
Date: 2026.08.20 12:35:58 +02'00'

DEPUTY DIRECTOR: SUPPLY CHAIN MANAGEMENT
DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING
DONNA SWARTZ
DATE

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PART A

INVITATION TO BID

ZERO-TOLERANCE TO FRAUD, THEFT AND CORRUPTION (ANTI-FRAUD, THEFT AND CORRUPTION)

THE WCG IS COMMITTED TO GOVERN ETHICALLY AND TO COMPLY FULLY WITH ANTI-FRAUD, THEFT AND CORRUPTION LAWS AND TO CONTINUOUSLY CONDUCT ITSELF WITH INTEGRITY AND WITH PROPER REGARD FOR ETHICAL PRACTICES.

THE WCG HAS A ZERO TOLERANCE APPROACH TO ACTS OF FRAUD, THEFT AND CORRUPTION BY ITS OFFICIALS AND ANY SERVICE PROVIDER CONDUCTING BUSINESS WITH THE WCG.

THE WCG EXPECTS ALL ITS OFFICIALS AND ANYONE ACTING ON ITS BEHALF TO COMPLY WITH THESE PRINCIPLES TO ACT IN THE BEST INTEREST OF THE WCG AND THE PUBLIC AT ALL TIMES.

THE WCG IS COMMITTED TO PROTECTING PUBLIC REVENUE, EXPENDITURE, ASSETS AND REPUTATION FROM ANY ATTEMPT BY ANY PERSON TO GAIN FINANCIAL OR OTHER BENEFIT IN AN UNLAWFUL, DISHONEST OR UNETHICAL MANNER.

INCIDENTS AND SUSPICIOUS ACTIVITIES WILL BE THOROUGHLY INVESTIGATED AND WHERE CRIMINAL ACTIVITY IS CONFIRMED, RESPONSIBLE PARTIES WILL BE PROSECUTED TO THE FULL EXTENT OF THE LAW.

<table>
<tr><td colspan="6">YOU ARE HEREBY INVITED TO BID FOR THE REQUIREMENTS OF THE DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING</td></tr>
<tr><td>BID NUMBER:</td><td>DEA&DP3/2026</td><td>CLOSING DATE:</td><td>21 September 2026</td><td>CLOSING TIME:</td><td>11H00am</td></tr>
<tr><td>DESCRIPTION</td><td colspan="5">APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE SPECIALIST PROFESSIONAL SERVICES FOR HOUSING MARKET STUDIES IMPLEMENTATION: ROUND 3, INCLUDING DEVELOPING A PRO FORMA DRAFT INCLUSIONARY HOUSING POLICY, A PRO FORMA DRAFT AFFORDABLE HOUSING ENABLEMENT POLICY, THREE INCLUSIONARY HOUSING FEASIBILITY STUDIES, AND MUNICIPAL CAPACITY SUPPORT FOR ONE MUNICIPALITY IN THE WESTERN CAPE, OVER AN 18-MONTH PERIOD TO THE DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING, CAPE TOWN, WESTERN CAPE</td></tr>
<tr><td colspan="6">BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT DEA&DP MAIN ENTRANCE</td></tr>
<tr><td colspan="6">ENTRANCE DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING</td></tr>
<tr><td colspan="6">1 & 3 DORP STREET, UTILITUS BUILDING</td></tr>
<tr><td colspan="6">CAPE TOWN</td></tr>
<tr><td colspan="6"></td></tr>
<tr><td colspan="3">BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO</td><td colspan="3">TECHNICAL ENQUIRIES MAY BE DIRECTED TO:</td></tr>
<tr><td>CONTACT PERSON</td><td colspan="2">Donna Swartz</td><td>CONTACT PERSON</td><td colspan="2">Allan Rhodes</td></tr>
<tr><td colspan="6">NOTE: ALL ENQUIRIES MUST BE MADE VIA EMAIL AND WILL BE RESPONDED TO VIA EMAIL.</td></tr>
<tr><td>E-MAIL ADDRESS</td><td colspan="2">DEADP.SCMHelpdesk@westerncape.gov.za</td><td>E-MAIL ADDRESS</td><td colspan="2">Allan.Rhodes@westerncape.gov.za and DEADP.SCMHelpdesk@westerncape.gov.za</td></tr>
<tr><td colspan="6">SUPPLIER INFORMATION</td></tr>
<tr><td>NAME OF BIDDER</td><td colspan="5"></td></tr>
<tr><td>POSTAL ADDRESS</td><td colspan="5"></td></tr>
<tr><td>STREET ADDRESS</td><td colspan="5"></td></tr>
<tr><td>TELEPHONE NUMBER</td><td>CODE</td><td></td><td>NUMBER</td><td colspan="2"></td></tr>
<tr><td>CELL PHONE NUMBER</td><td colspan="5"></td></tr>
<tr><td>E-MAIL ADDRESS</td><td colspan="5"></td></tr>
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VAT REGISTRATION NUMBER	

SUPPLIER COMPLIANCE STATUS	WCSEB No.		TCS Pin	**AND**	CSD No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	[TICK APPLICABLE BOX] ☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	[TICK APPLICABLE BOX] ☐ Yes ☐ No		
IF YES, WAS THE CERTIFICATE ISSUED BY A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN NATIONAL ACCREDITATION SYSTEM (SANAS)	[TICK APPLICABLE BOX] ☐ Yes ☐ No					
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT (FOR EMEs& QSEs) MUST BE SUBMITTED TOGETHER WITH A COMPLETED WCBD 6.1 FORM IN ORDER TO CLAIM 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 **All** Questions Below]
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS			

IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? ☐ YES ☐ NO

DOES THE ENTITY HAVE A BRANCH IN THE RSA? ☐ YES ☐ NO

DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? ☐ YES ☐ NO

DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? ☐ YES ☐ NO

IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? ☐ YES ☐ NO

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

PART B

TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED – (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.**
1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4. **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (WCBD 7.1).**
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 THE STATE TO VIEW THE TAXPAYERS PROFILE AND TAX STATUS.
2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING THROUGH THE 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 AS MENTIONED IN 2.3 ABOVE AND 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 CLOSED 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: ……………………………………………

NAME AND SURNAME OF BIDDER: ……………………………………………

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

DATE: …………………………………………..

1. BID CONDITIONS

1.1 All the documentation stipulated below must be returned with the bid document. Bidders must note that some of the documents require completion by the bidder and that the Department of Environmental Affairs and Development Planning will ONLY accept duly completed bid document.

1.2 This document is official and may not be re-typed on forms. Only original, signed documents will be considered. Failure to complete and sign the bidding documents, required certificates or qualifications, questionnaires, and specification forms in all respects will invalidate your bid.

1.3 Standard Bid Forms and Related Documents - Checklist:

1.3.1 WCBD 1: INVITATION TO BID (PART A & B);

1.3.2 WCBD 3.1: PRICING SCHEDULE – FIRM PRICES;

1.3.3 WCBD 3.2: PRICE ADJUSTMENTS

1.3.4 WCBD 4: PROVINCIAL GOVERNMENT WESTERN CAPE DECLARATION OF INTERESTS, BIDDERS PAST SCM PRACTICES AND INDEPENDENT BID DETERMINATION

1.3.5 WCBD 6.1: PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENCTIAL PROCUREMENT REGULATIONS 2022 AND IN TERMS OF THE WESTERN CAPE GOVERNMENT'S INTERIM STRATEGY AS IT RELATES TO PREFERENCE POINTS

1.3.6 General Conditions of Contract

1.4 Closing time of bids and provisions relating to submission of bids - Reminder

1.4.1 The closing time for the receipt of bids in response to this invitation to bid is detailed on the first page / cover page of this invitation to bid document.

1.4.2 All bids must be submitted in a sealed envelope bearing the bid number, bid description and closing date.

1.4.3 All bids must be received before the closing time and date stipulated above and must be posted to or deposited in the bid box at the address detailed on the cover page of this invitation to bid.

1.5 Pricing

1.5.1 Pricing must be stipulated inclusive of VAT (where the bidder is VAT registered).

1.5.2 Prices charged by the bidder for goods delivered and services performed under the contract shall not vary from the prices quoted by the bidder in this Tender.

1.5.3 The Bidder will be liable to take out forward cover to barricade him/her against fluctuation of the exchange rate in the event of importing any component, related to the tender, from a country dealing in currency other than that of South Africa.

1.5.4 The Pricing Schedule (WCBD 3.1) must be completed in all respects.

1.6 Validity

Bid documentation submitted by the bidder will be valid and open for acceptance for a period of 90 (ninety) calendar days from the closing date and time of the bid.

1.7 Enquiries:

Enquiries relating to this bid must be directed to the person/s whose details appear on the cover page of this bid invitation.

1.8 Right of discretion to accept a bid

The Department does not bind itself to accept either the lowest or any bid and reserves the right to accept the bid which it deems to be in the best interest of the State even if it implies a waiver by the Department of certain bid requirements which the Department considers to be of minor importance and not complied with by a bidder.

1.9 Date of Commencement of Service

The bidder will be required to start service as from the date mutually agreed upon by the Department.

1.10 Evaluation Methodology:

1.10.1 The bid will be evaluated in terms of the Bid Conditions, specification requirements of the bid and Preferential Procurement Points System.

1.10.2 A bid may be regarded as non-responsive if it fails to meet Bid compliance, Specification requirements and failing to provide any requested documentation.

1.10.3 Only the qualifying bids are evaluated further in terms of the 80/20 preference points system, where the 80 points is for price and the 20 points for Black Economic Empowerment points (BEE) status.

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

1.11 The bid will be awarded to the bidder scoring the highest points based on the price and B-BBEE points allocated.

1.12 Bidders will be required to submit an accredited B-BBEE certificate or sworn affidavit as evidence and in order to claim the points in respect of 20 points (80/20) and 10 points (90/10). Should a bidder fail to submit an accredited B-BBEE certificate or sworn affidavit, the bidder may only score points for price in terms of the 80/90 points. No points will be allocated for preference.

2. INSTRUCTIONS FOR COMPLETING BID DOCUMENTS

Bidders are advised to read all the pages of this tender document carefully and to comply fully with all requests for information and documentation. Please acknowledge that conditions have been read and understood in the 'Comply' column by responding with either a 'Yes' or 'No' entry. Bidders are required to:

Condition	Comply	
	Yes/No	**Comments**
1. Complete all the documents and forms provided in this bid invitation document.		
2. Supply all the requested information.		
3. The numbering system used in this bid SHALL be adhered to. If there are additional and/or alternative product options, every option/alternative proposal to an item SHALL be separately quoted, with a complete schedule, description, deviations from specifications, and technical brochures on each proposal.		
4. Submit the bid under the cover of a full table of contents referencing all the documents contained therein about the relevant page numbers.		
5. Confirm in writing that the copy submitted is a true and complete reproduction of the original and contains all the annexures submitted to the Department.		
6. The bidder is to complete the bid response document by stating in the block opposite each subsection whether the bidder will comply or will not comply with the specifications in that subsection.		
7. A response of "Noted" SHALL be interpreted as "Comply". In addition, an explanatory note MUST be provided in a separate document with a clear reference to the corresponding paragraph number or beneath each point in the bid document. The numbering in the bid document may not be altered.		
8. Items not completed in this manner SHALL be to the disadvantage of the bidder and, if excessive, SHALL lead to exclusion in the tender evaluation process.		
9. Bidders are permitted to submit video/cd/samples/product literature/catalogues to support their statements of competence and are to confirm that such are true and accurate reflections of the service/s which the bidder intends to provide.		
10. All additional supporting documentation that is submitted as part of this tender MUST be given a document number that is marked on each page of the document.		

DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING

THIS DOCUMENT SETS OUT THE TERMS OF REFERENCE: APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE SPECIALIST PROFESSIONAL SERVICES FOR HOUSING MARKET STUDIES IMPLEMENTATION: ROUND 3, INCLUDING THE DEVELOPMENT OF A PRO FORMA DRAFT INCLUSIONARY HOUSING POLICY, A PRO FORMA DRAFT AFFORDABLE HOUSING ENABLEMENT POLICY, THREE INCLUSIONARY HOUSING FEASIBILITY STUDIES, AND MUNICIPAL CAPACITY SUPPORT FOR ONE MUNICIPALITY IN THE WESTERN CAPE, OVER AN 18-MONTH PERIOD FOR THE DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING, CAPE TOWN, WESTERN CAPE

BID NUMBER: DEA&DP3/2026

NAME OF BIDDING COMPANY……….………………………………………...

NAME OF SERVICE OFFERED……………………………………………………...

NAME OF BIDDER / CONTACT PERSON……………………………...

CONTACT NUMBER……………………………….…..(w)……………………..…………… (cell)

NOTE: SHOULD THE ITEM OFFERED DEVIATE FROM ANY SPECIFIED REQUIREMENTS, FULL DETAILS OF SUCH DEVIATIONS MUST BE GIVEN. IN THE EVENT OF THE AVAILABLE SPACE BEING INSUFFICIENT, SUCH DETAILS MUST BE GIVEN ON A SEPARATE SHEET, INDICATING THE RELEVANT PARAGRAPH NUMBER IN THE SPECIFICATION.

ALL SECTIONS OF THIS BID DOCUMENT MUST BE COMPLETED IN FULL, WHERE RELEVANT. FAILURE TO REPLY TO ALL SECTIONS WILL RESULT IN THE OFFER NOT BEING CONSIDERED.

3. TERMS OF REFERENCE (TOR): APPOINTMENT OF A SPECIALIST PROFESSIONAL SERVICE PROVIDER TO UNDERTAKE HOUSING MARKET STUDIES IMPLEMENTATION: ROUND 3, THROUGH THE DEVELOPMENT OF A PRO FORMA DRAFT INCLUSIONARY HOUSING POLICY, A PRO FORMA DRAFT AFFORDABLE HOUSING ENABLEMENT POLICY, UNDERTAKE 3 INCLUSIONARY HOUSING FEASIBILITY STUDIES, AND PROVIDE MUNICIPAL CAPACITY SUPPORT IN DEVELOPING AN INCLUSIONARY HOUSING POLICY FOR ONE MUNICIPALITY IN THE WESTERN CAPE OVER AN 18 MONTH PERIOD

CONTENTS OF THIS BID SPECIFICATION / TERMS OF REFERENCE

1. PURPOSE

1.1 Service providers with relevant expertise and experience are herewith invited to submit bids for the appointment of a specialist professional service provider to support the implementation of the Western Cape Inclusionary Housing Policy Framework (WCIHPF) and the Housing Market Studies undertaken in Round 1 and Round 2, through the Housing Market Studies Implementation Round 3 project.

1.2 The appointment is for an 18-month period spanning the 2026/27 and 2027/28 financial years (October 2026 to March 2028) and focuses on translating existing housing market evidence into practical, implementable municipal policy instruments, supported by financial feasibility testing and targeted municipal capacity support.

2. INTRODUCTION

2.1 Housing Market Studies Round 3 (HMS Round 3) shifts the programme's focus from evidence generation to implementation. The project operationalises the findings of the previous two rounds by developing standardised policy tools, testing their viability in selected municipalities, and building municipal institutional capacity to adopt and apply these tools.

2.2 The four tasks of the project are:

- **Task 1:** The development of a standard draft Pro Forma Inclusionary Housing Policy for municipalities, providing municipalities with a structured, adaptable policy tool aligned to the WCIHPF, that they can adapt to their circumstances and adopt as an Inclusionary Housing Policy.
- **Task 2:** Undertaking light-touch Inclusionary Housing feasibility studies for three municipalities, to determine the financial and market viability of inclusionary housing.
- **Task 3:** Provision of targeted capacity assistance to one municipality to develop and prepare its own draft Inclusionary Housing Policy (excluding the need for council approval, or any public participation, which the municipality will need to undertake itself).
- **Task 4:** Development of a standard draft Pro Forma Affordable Housing Enablement Policy for municipalities, outlining a practical menu of mechanisms to support the delivery of affordable housing beyond inclusionary approaches that municipalities may choose to adopt.

3. BACKGROUND & CONTEXT

3.1 Programme History

3.1.1 The Western Cape Inclusionary Housing Policy Framework (WCIHPF), adopted by Provincial Cabinet in 2022, identifies a sound understanding of local housing market dynamics as a prerequisite for the design of effective, evidence-based inclusionary housing policies.

3.1.2 In response, the Western Cape Government initiated Housing Market Studies Round 1 (2021/22), covering four intermediate cities: Stellenbosch, George, Mossel Bay, and Drakenstein. The findings informed municipal planning instruments, including IDPs, SDFs, Human Settlement Plans, and the preparation of an inclusionary zoning policy in Stellenbosch.

3.1.3 Building on this, HMS Round 2 (2023/24 to 2025/26) expanded the evidence base by:

- Extending studies to seven additional urban areas in the following municipalities: Bitou (Plettenberg Bay), Knysna (town of Knysna), Oudtshoorn (town of Oudtshoorn), Overstrand (Greater Hermanus), Saldanha Bay (several towns), Swartland (several towns), and Breede Valley (Worcester);
- Updating the original four studies using refined methodologies and current data; and
- Producing a consolidated analytical framework, individual municipal studies, and synthesis outputs.

3.1.4 Together, Rounds I and 2 have established a credible, province-wide evidence base on housing market performance and affordability dynamics. A key gap remains: many municipalities lack the practical tools, tested approaches, and institutional capacity to translate this evidence into implementable inclusionary housing policies and broader affordable housing delivery mechanisms.

3.2 Strategic Alignment

3.2.1 The project directly responds to the following strategic frameworks:

- ***Western Cape Provincial Strategic Plan 2025-2030***: operationalises transversal outcomes on access to shelter, household stability, and spatial transformation, bridging the gap between strategic intent and on-the-ground delivery.
- ***Growth4Jobs Strategy***: responds to Priority Focus Area 1 (Driving Growth Opportunities through Investment) by reducing policy uncertainty, improving development feasibility, and supporting capital formation in the construction and property sectors.
- ***Western Cape Inclusionary Housing Policy Framework (WCIHPF)***: directly supports the implementation phase of the WCIHPF by translating its objectives into practical municipal policy instruments.

4. SCOPE OF WORK

4.1 The service provider will be required to undertake four tasks, combining policy development, applied feasibility analysis, and institutional capacity support. All work must build directly on the existing Housing Market Studies and be delivered in a manner that supports municipal implementation, not only policy formulation.

4.2 Task 1: Development of a Standard Draft Pro Forma Inclusionary Housing Policy

The service provider must develop a standard draft pro forma Inclusionary Housing Policy (IHP) that Western Cape municipalities can adapt to their local contexts where inclusionary housing is feasible. The pro forma must function as a practical, structured, and legally defensible model that a municipality can take through a political adoption process with minimal external assistance. It must be capable of creating certainty for municipal officials adjudicating applications, Municipal Planning Tribunals, and private developers responding to the policy.

The service provider's approach must be informed by a critical review of existing South African IH policy experience, including but not limited to the Stellenbosch Municipality Inclusionary Zoning Policy (2023), the City of Johannesburg Inclusionary Housing Incentives, Regulations and Mechanisms (2019), and relevant academic and practitioner literature including Weakley (2025) and Turok, Rubin and Scheba (2024). Lessons drawn must be explicitly applied to the Western Cape context and must not be uncritically transposed from metropolitan conditions.

The pro forma policy deliverable must, at minimum, address the following:

- **Task 1.1: Enabling preconditions and transitional arrangements:** Identify and explain the spatial planning, bylaw, and zoning scheme preconditions that must be in place before a municipality can implement a formal IH policy. This must include guidance on how a municipality may impose IH contributions as conditions of planning approval during a transitional phase prior to formal policy adoption, as occurred in Stellenbosch, and the governance and probity requirements that apply in such circumstances.

- **Task 1.2: Policy scope and trigger conditions:** Define the development types, sizes, and circumstances that trigger an IH obligation, including the relationship between existing and additional land use rights. Address both greenfield and densification scenarios. Specify threshold options and the rationale for each, with contextual criteria to guide municipal selection.

- **Task 1.3: Set-aside requirements and feasibility calibration:** Present a range of set-aside options (expressed as a percentage of total units, floor area, or additional rights value) with accompanying guidance on how the appropriate set-aside level must be determined for each municipality through an economic and financial feasibility study and a standardised contribution calculator. The pro forma must include a model brief for a feasibility study and guidance on developing or adapting an IH contribution calculator, drawing on the CoJ calculator experience and City of Cape Town pilot work referenced in the WCIHPF.

- **Task 1.4: Policy options framework:** Present clearly defined options across each of the following policy dimensions, with contextual selection criteria for each option covering local housing market conditions, development feasibility, institutional capacity, and stage of municipal IH policy readiness:
    - Set-aside approaches, including differentiated requirements for standard trigger areas versus spatially targeted overlay zones or catalytic areas.
    - Income targeting, including segmentation of the affordable housing income range and proportional allocation across income sub-bands.
    - Tenure options, including for-sale, rental, social housing, and hybrid models.
    - On-site, off-site, and in-lieu contribution mechanisms, including the conditions under which each is appropriate and governance requirements for in-lieu funds.
    - Affordability preservation measures, including tenure restrictions, title deed conditions, HOA/Body Corporate provisions, and monitoring requirements.
    - Developer incentive options, including density bonuses, parking relaxations, development contribution discounts, overlay zone rights, and expedited permitting.

- **Task 1.5: Spatial targeting and land use management integration:** Provide guidance on designating IH trigger areas and priority receiving areas in MSDFs, creating IH overlay zones in zoning schemes and Municipal Planning By-Laws, and aligning IH obligations with existing spatial designations such as restructuring zones, densification encouragement areas, and PHSHDA declarations.

- **Task 1.6: Administrative process and institutional requirements:** Set out the end-to-end administrative process for applying the IH policy from pre-application engagement through to the planning permission, the IH agreement (a legal agreement between a municipality and a private developer that binds the developer to deliver affordable housing units as a condition of receiving development approval or additional development rights), affordability preservation monitoring, and enforcement. Include guidance on the capacity, systems, and delegations a municipality needs to implement the policy. Draw on the Johannesburg experience regarding the need for standardised conditions and a simpler framework to reduce administrative burden and tribunal uncertainty.

- **Task 1.7: Certainty, consistency, and enforceability:** The pro forma must include model IH policy clauses, a model IH agreement template, and model planning permission conditions that municipalities can adapt directly. It must propose practical enforcement measures that are proportionate to non-metro institutional capacity and identify the consequences of non-compliance that must be embedded in the IH agreement and conditions of approval.

- **Task 1.8: Monitoring and evaluation framework:** Include a minimum monitoring and evaluation framework aligned with the output and outcome indicators set out in the WCIHPF, adapted to non-metro capacity constraints.

The Task 1 deliverable is a single structured document constituting the pro forma IHP, supported by concise technical notes within the pro forma documenting the evidence base, comparative analysis, and rationale for the policy options presented. The pro forma IHP and its technical notes must explicitly address the lessons drawn from Stellenbosch, Johannesburg, and the academic literature, and explain how these have been applied or adapted for the Western Cape context.

4.3 Task 2: Inclusionary Housing Feasibility Studies for Three Municipalities

The service provider must undertake cost-effective, applied inclusionary housing feasibility assessments for three municipalities for which Housing Market Studies have already been completed under the Round 1 and 2 of the Housing Market Studies project. The municipalities to be assessed are ***George, Drakenstein,*** and ***Mossel Bay***.

The feasibility work must be practical and proportionate, not exhaustive, voluminous or theoretical. Its primary purpose is to determine whether, where, and under what conditions inclusionary housing is financially viable in each municipality, and to provide sufficiently robust evidence to support the development of an inclusionary housing policy for each, if feasible, in the appropriate locations and market bands. The feasibility work must be consistent with the Western Cape Inclusionary Housing Policy Framework, in which the inclusionary housing obligation is offset by the value of additional development rights and associated incentives. The service provider may motivate for the testing of complementary approaches where local conditions warrant this. The service provider must propose and motivate their methodology in the bid and be approved in the inception report. The following components must, at minimum, be addressed:

- **Task 2.1: Policy intent confirmation:** Before modelling commences, the service provider must facilitate, with DEA&DP and each municipality, the confirmation of the primary objective(s) of a prospective inclusionary housing policy, including the depth of affordability to be targeted (income reach within the gap market), the relative priority of unit numbers versus depth of affordability, and the preferred balance between on-site contributions and fees in lieu. These confirmed objectives must be recorded and must anchor the scenario design in the feasibility modelling, since different objectives imply materially different modelling assumptions. If necessary, feedback from the consultant team to the municipality, if variables or primary objectives are unworkable or require adjustment.

- **Task 2.2: Spatial market assessment**: Using existing Housing Market Study datasets and any supplementary spatial and property market data, identify areas within each municipality's urban area where inclusionary housing is likely to be viable, marginal, or not viable, with reference to property values, development activity, and the strength of the residential land market. This assessment must be spatially expressed and must inform both the feasibility modelling and the recommended IH application zones.

- **Task 2.3: Existing development rights audit:** For each municipality, the service provider must assess the extent, distribution, and uptake of existing development rights within the candidate IH application zones and/or future urban growth areas, including the degree to which unused bulk and density already exist under the zoning scheme in these areas. The audit must establish a clear, agreed definition of "additional development rights" for the purposes of the study, specifying the baseline against which additionality is measured (primary rights, consent use rights, or both). This component is essential because an oversupply of existing or unused rights diminishes the market value of additional rights and can render a density-based incentive package ineffective. Prior to commencing the existing development rights audit, the service provider must identify and document all datasets and information required from each municipality, distinguishing between data available from existing Housing Market Study outputs and new data to be sourced from the municipality. This may include the current zoning scheme and any amendments, approved and pending development applications, records of consent use approvals, and any municipal GIS layers relevant to development rights and land use. The service provider must submit this data requirements list to DEA&DP and the relevant municipality, with sufficient lead time for the municipality to compile and provide the required information before the audit commences. The depth of this analysis depends on what data municipalities can actually provide.

- **Task 2.4: Financial and economic feasibility analysis**: Assess the financial viability of inclusionary housing in each municipality through development feasibility modelling. The analysis must be grounded in at least three (3) representative residential development typologies that reflect what is actually being developed, or proposed for development, in each municipality, informed by recent development applications and local market evidence. Both ownership and rental development scenarios must be assessed as distinct cases, given their different cost structures, revenue profiles, and viability thresholds. The analysis must apply a residual land value methodology, using a comparative residual land value calculation to determine the value of a property under existing rights versus the value under existing plus additional rights. This approach must be capable of isolating the land value created by additional development rights, since this is the theoretical basis on which the IH obligation is justified. The residual land value calculation, in which profitability is held constant and land value is the output, must serve as the primary basis for the sensitivity analysis; the developer hurdle rate functions as the viability floor within the residual land value model and must not be applied as an alternative, parallel sensitivity method.

  All incentives included in the feasibility model must be accurately and explicitly costed. The modelled value of each incentive, including but not limited to density bonuses, parking relaxations, height relaxations, development contribution reductions or deferrals, and streamlined approvals processes, must be derived from verifiable local market data and must be expressed as a quantified impact on residual land value. Assumed or indicative incentive values are not acceptable. Where the cost or value of an incentive cannot be reliably quantified from available data, this must be stated, the limitation must be carried through the sensitivity analysis, and the service provider must propose how the gap can be addressed. The accuracy of incentive costing is material to the validity of the feasibility findings and to the municipality's ability to implement a financially sustainable policy.

  Other considerations include:

- The service provider must motivate the databases used to establish base land and property values in each municipality, including whether the municipal valuation roll, recent comparable sales evidence, or a median of the two is used, having regard to the currency and reliability of each source in the local market.

- The typology cost structures must explicitly include engineering infrastructure and development contribution costs applicable to each typology, and the analysis must record the extent to which infrastructure is municipally funded, developer-funded, or co-financed, since high infrastructure cost burdens directly reduce the capacity of a development to absorb an inclusionary housing obligation.

- Where a development includes multiple typologies or product types, the service provider must assess cross-typology subsidisation opportunities, specifically whether surplus residual land value generated by higher-margin typologies within the same development can be used to offset the cost of the inclusionary housing obligation, and under what conditions this is financially viable. The service provider must also assess phased construction as a mechanism for enhancing affordability, including the financial implications of phasing for development viability and the contractual and monitoring requirements that phasing would impose on the municipality.

- The analysis must, at minimum, answer the following questions:
  - What is the residual land value of representative development typologies under existing rights, and how does this change when additional development rights and associated incentives are applied? What land value increase is attributable to the

incentives offered, and is this sufficient to absorb an inclusionary housing obligation while maintaining development viability?

- What is the minimum acceptable rate of return, or hurdle rate, that developers in each municipality's market require in order to proceed with development? Separately, at what point does the residual land value generated by a development, after accounting for the hurdle rate, support a feasible inclusionary housing contribution? These are distinct questions and must be answered as such.
- What is the economic value of additional development rights in the relevant areas of each municipality, measured against the agreed additionality baseline established in the existing development rights audit, and what land value increase is attributable to the incentives offered?
- What quantum of additional rights generates sufficient residual land value to support a feasible inclusionary housing contribution without reducing the residual land value below the level needed to attract development?
- What set-aside percentage, expressed in relation to additional development rights, total units, or floor area, is financially viable across the income sub-bands of the affordable housing market in each municipality, and at what point does the IH obligation reduce residual land value to a level that undermines development viability?
- What development size threshold, expressed as a number of units or floor area, should trigger the inclusionary housing obligation in each municipality, having regard to the typology and development application analysis and the administrative cost of applying the obligation to small developments?
- What is the projected yield of each policy scenario, expressed as a likely range of inclusionary units and/or fee revenue over a five-year period, based on development activity over the preceding three to five years in the recommended IH application zones? The analysis must indicate whether the projected pipeline justifies the institutional cost of adopting and administering a policy and must comment on any risk that the obligation could suppress the supply of market units.
- How does unit size affect both development cost and the affordability of the end product to the target income group, and what are the implications for policy?
- What affordability risks arise over time, including cost escalation, levy increases, and household income trajectories, and what are the implications for affordability preservation provisions in the policy? Note: the feasibility model is not expected to resolve long-term affordability; it must identify the risks and their policy design implications.
- What is the cost-benefit of developer incentives, including but not limited to density bonuses, parking relaxations, height relaxations, development contribution reductions, and streamlined approvals processes, in terms of their impact on residual land value and the range of viable set-aside requirements, and is the incentive package as a whole sufficient to generate developer participation? Any recommended incentive package must be accompanied by a clear assessment of its impact on long-term municipal financial sustainability, including the revenue implications of development contribution reductions or deferrals, rates base effects, and any other material fiscal consequences. Incentives must not be recommended where their cumulative effect would materially undermine the municipality's financial position, and where trade-offs exist, these must be explicitly stated.
- On what basis should fees in lieu of on-site inclusionary housing contributions be calculated? The calculation method must be derived from and consistent with the residual land value analysis and market evidence generated by the feasibility study and must reflect the difference between the open market value and the restricted affordable value of the required inclusionary units.
- Do these findings differ across stronger and weaker property market areas within each municipality, in ways that have implications for spatially differentiated policy?

- Which incentives are of greatest practical value to the development sector in each municipality, and in what combination are they most effective in enabling an inclusionary housing contribution? The analysis must consider a range of incentive types including but not limited to overlay zones providing as-of-right additional development rights, parking requirement reductions, height and bulk relaxations, development contribution discounts or deferrals, and streamlined approvals processes, and must rank or differentiate these by their relative impact on development feasibility in the local market context. The answer to this question, together with the hurdle rate and market absorption assumptions used in the model, must be validated through structured engagement with engineering firms, developers and/or financiers actively operating in each municipality's market; desktop evidence alone is not sufficient. The engagement method and participant profile must be set out in the report.
- What is the projected net fiscal impact of the recommended incentive package on each municipality over the policy implementation period, expressed as a quantified range of income foregone and offsetting revenue generated, including rates base growth attributable to increased development activity?
- Does the municipality have sufficient bulk services and engineering infrastructure capacity to absorb the additional development density that the recommended incentive package is intended to unlock, and if not, what are the estimated upgrading costs and who bears them? The analysis must assess whether infrastructure capacity constraints materially limit the viability or scale of an inclusionary housing policy in any recommended application zone.
- Where development contribution reductions or deferrals are recommended as incentives, how will the resulting DC income shortfall be funded by the municipality, having regard to the requirements of the legislation governing Development Charges? The service provider must propose a funding argument that satisfies the DC legislative framework and does not simply transfer the cost burden to other ratepayers or development applicants.

(**Note**: The service provider must produce a simple, replicable feasibility model and inclusionary housing contribution calculator, including a method for calculating fees in lieu anchored in the residual land value analysis, that DEA&DP and the municipality can use independently after the contract concludes, in accordance with the data governance provisions of this contract.)

- **Task 2.4.1: Developer & Stakeholder Engagement and Validation:** The service provider must conduct structured engagement with developers, engineering firms and financiers and developer representative organisations actively operating in each municipality's market. This engagement must not be limited to incentive validation. It must be used to test and refine the key assumptions underpinning the feasibility model, including development cost structures, finance costs, hurdle rates, market absorption rates, and unit price expectations, and to validate the findings and draft recommendations of the feasibility analysis before these are finalised. Engagement must be conducted after preliminary modelling is complete, so that developers are responding to evidence-based findings rather than abstract propositions. The service provider must document the engagement method, the profile and number of participants in each municipality, and the material ways in which developer input influenced or amended the analysis or recommendations. It is recommended that one session be undertaken per municipal area.

- **Task 2.5: Institutional capacity and readiness assessment:** Assess each municipality's institutional capacity and readiness to implement an inclusionary housing policy. This is a distinct component from the financial feasibility analysis. The assessment must, at minimum, answer the following questions:
  - Which planning implementation instrument, or combination of instruments, is best suited to giving effect to an inclusionary housing policy in each municipality, having regard to the municipality's existing spatial planning framework, the recommended IH application zones, and the administrative capacity of the municipality? The

assessment must consider the relative merits of instruments including but not limited to the Municipal Spatial Development Framework, a precinct plan or local spatial development framework, the zoning scheme and municipal planning by-law, and an overlay zone providing as-of-right additional development rights and must recommend the most appropriate instrument with reasons.

- Are the municipality's planning instruments, including its MSDF, Municipal Planning By-Law, and zoning scheme, in a state that would enable implementation of an IH policy, and if not, what must change?
- Does the municipality have the human resource, systems, and administrative capacity to implement and enforce an IH policy over the long term, including adjudication, agreement negotiation, affordability preservation monitoring, and compliance?
- Who would hold, allocate, and manage the inclusionary units over the affordability period? The assessment must identify the available institutional arrangements in each municipality, including the presence and capacity of social housing institutions or other operators, the willingness and capacity of developers to retain and manage rental stock, and the municipality's own capacity to administer allocation. The viability of the rental tenure scenario in the feasibility analysis is conditional on a credible answer to this question.
- What preconditions must be met and what capacity must be developed before the municipality can implement the policy?

- **Task 2.6: Per-municipality feasibility assessment report**: For each municipality, the service provider must produce a concise Inclusionary Housing Feasibility Assessment that includes:
  - A residual land value analysis showing the value under existing rights, the value under additional rights, and the land value increment attributable to incentives, for each representative typology tested.
  - A summary of housing market conditions and the evidence base informing the feasibility analysis, including the development typologies used, the tenure scenarios tested, and the basis for their selection.
  - A statement of the proposed policy objectives and the agreed definition of additional development rights against which the analysis was conducted, together with the findings of the existing development rights audit.
  - A viability outcomes table setting out the results of the feasibility modelling across development typologies, tenure scenarios, set-aside scenarios, income sub-bands, and market value zones, with the hurdle rate and residual land value threshold clearly identified for each scenario.
  - A comparative assessment of the cost per affordable unit generated across typologies and market value zones, expressed as a consistent metric that allows municipalities to be compared, such as residual land value per square metre or net present value per affordable unit produced.
  - GIS shapefiles and maps identifying recommended IH application zones, differentiated by market strength.
  - Clear recommendations on feasible set-aside percentages, the development size threshold triggering the obligation, tenure approaches, unit size parameters, incentive requirements, income targeting, and the basis for calculating fees in lieu, all derived from the residual land value analysis.
  - An assessment of long-term affordability risks and the implications for affordability preservation provisions in the policy.
  - A concise municipal fiscal impact assessment of the recommended incentive package, quantifying where possible the revenue foregone through development contribution reductions or deferrals, the offsetting rates base growth attributable to increased development activity, and a net assessment of whether the incentive package is fiscally sustainable over the policy implementation period.

- Clear identification of areas, or conditions under which, inclusionary housing should not be applied and the reasons for this.
- A concise narrative on municipal readiness and the preconditions and capacity development required before the policy can be implemented.
- A concise identification of early implementation opportunities, being the conditions, locations, and/or development typologies where an inclusionary housing obligation is likely to be viable in the near term with minimal preconditions, and which could be prioritised for initial policy application to generate early results while longer-term capacity and instrument development proceeds.

Deliverables must include:

- One draft feasibility assessment per municipality will be submitted in digital format (PDF and PowerPoint, including an Executive Summary) for engagement with the relevant municipality and review by the Project Management Team (PMT) and Project Steering Committee (PSC) before finalisation. One final feasibility assessment per municipality, incorporating all comments and inputs from the PMT, PSC and the relevant municipality, will follow. The final reports must be suitable for use by the municipality and the Western Cape Government, and for sharing with the public.
- In addition to the per-municipality reports, the service provider must hand over a replicable feasibility model and IH contribution calculator (including the fees-in-lieu method) in fully working editable format, and GIS shapefiles for all spatial outputs, in ArcGIS-compatible format. All data sources, vintages, assumptions and data gaps underpinning the feasibility models must be documented, with any limitations affecting the confidence of findings clearly flagged.

Note on methodology: DEA&DP is not prescribing a feasibility methodology beyond the requirement that the residual land value calculation serves as the primary sensitivity basis and that the approach must be capable of isolating the land value created by additional development rights. The service provider must propose and justify their approach in the bid and inception report. The specifications above define the minimum questions the feasibility work must answer and the minimum outputs it must produce.

Note on municipality substitution: DEA&DP reserves the right to substitute any selected municipality with another of comparable profile, provided such substitution is agreed in writing between the parties.

4.4 Task 3: Targeted Inclusionary Housing Capacity Assistance for One Municipality

The service provider must provide hands-on, targeted support to one selected municipality, selected from task 2, to enable it to develop, refine, and prepare a draft Inclusionary Housing Policy that is both contextually appropriate and implementable, drawing on the work from Task 1 and 2. The municipality to be supported will be determined upon completion of the feasibility work.

The emphasis of this component is on long-term institutional capacity building, not document production alone. Before support commences, the service provider must confirm, with DEA&DP and the municipality, the approach underpinning the draft policy (mandatory, incentive-based, or hybrid), the primary policy objectives, and the depth of the gap market to be targeted. This confirmation must be consistent with the policy intent confirmed under Task 2 for that municipality and must be recorded in writing. Support cannot be meaningful if the municipality and the service provider do not share a common understanding of what the policy is trying to achieve and on whose cost or burden the obligation will fall. Support must include:

- **Task 3.1:** Assisting the municipality to interpret and apply the WCIHPF;
- **Task 3.2:** Adapting the Pro Forma Inclusionary Housing Policy to its local market, spatial, and institutional conditions;

- **Task 3.3:** Translating the outcomes of the feasibility study into its own IHP; and
- **Task 3.4:** Working across planning, human settlements, legal, and land use management functions to build shared understanding of the policy levers, feasibility thresholds, administrative requirements, and legal pathways to implementation of a proposed IHP.
- **Task 3.5:** Assisting the municipality to identify and engage the institutional arrangements required to hold, allocate, and manage inclusionary units, including social housing institutions or other operators where relevant, since the absence of a credible management arrangement is one of the most common reasons draft IH policies cannot be implemented.

Deliverables must include:

- **Deliverable 3.1:** A tailored draft municipal Inclusionary Housing Policy, informed by the feasibility work, and reflecting the confirmed policy approach and objectives. The draft policy must, at minimum, specify: the trigger threshold; the set-aside requirement and its basis; the incentive package; the income targeting criteria; the tenure options and conditions; the fees in lieu methodology and calculation basis; the affordability preservation mechanism and time horizon; and the monitoring and compliance framework;

- **Deliverable 3.2:** A simple, replicable IH contribution assessment tool, consistent with the feasibility model produced under Task 2, that municipal officials can use to evaluate the IH obligation and incentive package applicable to a specific development application without specialist assistance;

- **Deliverable 3.3:** A short internal implementation guide, covering the administrative workflow from development application receipt through IH condition negotiation, agreement execution, unit transfer or fee payment, and ongoing compliance monitoring; and

- **Deliverable 3.4:** At least two structured working sessions with the relevant municipal officials and departments, focused on applying the policy and tools to realistic development application scenarios, and at least one broader internal awareness session for senior management (and councillors, if at the correct stage of development) that addresses the policy rationale, the feasibility evidence base, and the political and institutional preconditions for implementation. The service provider must confirm the format, participants, and objectives of each session in writing with DEA&DP before it is held.

Note on municipal selection: DEA&DP reserves the right to determine the municipality to be supported under this task, to be confirmed within four weeks of submission of the final Task 2 feasibility studies, with reference to municipal readiness, political support for the policy process, and the findings of the institutional capacity and readiness assessments conducted under Task 2. Where the selected municipality is assessed as insufficiently ready to develop a policy within the contract period, the service provider must advise DEA&DP accordingly and propose a scope focused on precondition development rather than policy drafting, drawing on Tasks 3.1 to 3.5, and Deliverables 3.1 to 3.4.

4.5 **Task 4: Development of a Pro Forma Municipal Affordable Housing Enablement Policy**

The service provider must develop a standard draft Pro Forma Municipal Affordable Housing Enablement Policy that could be adapted by municipalities to support expanding affordable housing supply using a broader set of tools beyond Inclusionary Housing. The pro forma must be capable of adaptation by any Western Cape municipality. The service provider must take account of existing municipal affordable housing enablement and incentive policies already adopted or in preparation in the Western Cape or South Africa, including the Garden Route District Municipality Incentive Policy for Affordable Housing (2025), and must build on, reconcile with, and improve upon these rather than duplicate them. The inception report must include a short review of the existing policy landscape.

The pro forma policy must:

- ***Task 4.1:*** Present a clear and practical menu of affordable housing enablement mechanisms available to municipalities, distinguishing between direct fiscal (financial) instruments such as development charge rebates, rates phasing, fee waivers, and the release of municipal land at discounted values or on long-term lease, and regulatory and development rights-based instruments, including density bonuses, bulk and parking relaxations, streamlined development approvals, and project packaging. While analytically distinct, both categories must be recognised as having material financial implications for development feasibility, either through direct cost reductions or by enhancing development yield, reducing risk, and improving project viability.

- ***Task 4.2:*** Include guidance on large-scale and institutional affordable rental, owner-driven small-scale rental, and replicable small and medium-scale affordable housing models identified in the Housing Market Studies, and align the income bands and instrument definitions used in the policy with national and SHRA legislated criteria, expressed so that they update automatically as those criteria are revised;

- ***Task 4.3:*** Anchor every financial incentive in a test of municipal fiscal affordability, so that no incentive is recommended without reference to the revenue foregone and the municipality's capacity to absorb it. Where the service provider proposes a financial affordability or scorecard model for this purpose, it must be consistent with, and improve upon, the financial incentive model already developed in the Garden Route work, and must be usable by municipal officials without specialist support;

- ***Task 4.4:*** Outline key preconditions for success and risks to manage, including the spatial targeting of incentives to designated restructuring zones, priority human settlement and housing development areas, and corridors identified in municipal SDFs, so that incentives reinforce rather than work against the spatial development framework;

- ***Task 4.5:*** Demonstrate how planning controls, land use management, municipal land, and capital investment levers can be used to support delivery; and

- ***Task 4.6:*** Specify the institutional arrangements required to operate the policy, including the evaluation and approval pathway for incentive applications, the departments responsible for each mechanism, and the delegations required, recognising that affordable housing enablement cuts across planning, human settlements, finance, engineering, and legal functions;

- ***Task 4.7:*** Include a monitoring and evaluation framework with defined performance indicators, data sources, and reporting responsibilities, and a measures-for-non-performance provision addressing lapsing of incentives and recovery of rebates where a project does not proceed;

- ***Task 4.8:*** Include the relationship between this policy and a municipal Inclusionary Housing Policy developed under Tasks 2 and 3, so that the two instruments may operate together: inclusionary housing as a condition of land use approval, and the enablement incentives as the offsetting support, without double-counting or contradiction; and

- ***Task 4.9:*** Be concise, evidence-based, and designed for easy municipal adaptation and implementation, structured so that a municipality can populate local figures, income bands, and spatial targets without redrafting the policy architecture.

Deliverables must include:

- ***Deliverable 4.1:*** A draft Pro Forma Affordable Housing Enablement Policy in a format that municipalities can adopt and adapt through their own council processes; and

- Technical notes set out in ***Deliverable 4.1*** that provide short adaptation guide notes explaining which provisions are fixed (for legal or alignment reasons) and which are intended to be amended or populated locally.

5. PHASING AND TIMEFRAMES

5.1 This project will run over an 18-month period from ~October 2026 to March 2028. Deliverables must be completed within the following timeframes as a minimum:

	Category / Component	Deliverable(s)	Target / Deadline
1	Project Initiation & Inception Report	Inception Report confirming methodology, sequencing, task dependencies, governance arrangements, data acquisition strategy, and invoicing schedule for the 18-month period. Inception meeting to be held within 20 working days of appointment; report delivered to PMT within 7 working days of the inception meeting.	Month 1
2	***(Task 1) Draft*** Pro Forma Inclusionary Housing Policy	***(Task 1) <u>Draft</u>*** Standard draft Pro Forma Inclusionary Housing Policy for municipalities, aligned to the WCIHPF, incorporating policy options framework with contextual selection criteria, spatial targeting guidance, enabling preconditions and transitional arrangements, model policy clauses, model IH agreement template, model planning permission conditions, and monitoring and evaluation framework. Submitted for comment by PMT and PSC.	~ Month 4 / 5 (Before mid-March 2027)
3	***(Task 2) Draft*** Inclusionary Housing Feasibility Assessments (3 municipalities)	***(Task 2) <u>Draft</u>* IH feasibility Studies:** Per municipality: residual land value analysis; viability outcomes table across typologies, tenure scenarios, set-aside scenarios, income sub-bands, and market value zones; comparative cost per affordable unit metric; GIS shapefiles of recommended IH application zones; replicable feasibility model and IH contribution calculator including fees-in-lieu calculation method; assessment of long-term affordability risks; institutional capacity and readiness assessment; and recommendations on set-aside percentages, tenure, incentives, income targeting, fees in lieu, and exclusion areas. Submitted for comment by PMT, PSC, and relevant municipalities.	~ Month 4 / 5 (Before mid-March 2027)
4	***(Task 1) Final*** Pro Forma Inclusionary Housing Policy	***(Task 1) <u>Final</u>*** version of the Pro Forma Inclusionary Housing Policy, incorporating comments and inputs from PMT and PSC	~ Month 12
5	***(Task 2) Final*** Inclusionary Housing Feasibility Studies (3 municipalities)	***(Task 2) <u>Final</u>* IH Feasibility Studies** for each municipality, incorporating comments and inputs from PMT, PSC, and relevant municipalities.	~ Month 12
6	***(Task 4) Draft*** Pro Forma Affordable Housing Enablement Policy	***(Task 4) <u>Draft</u>*** Standard draft Pro Forma Affordable Housing Enablement Policy presenting a practical menu of enablement mechanisms, and incentives anchored in municipal fiscal affordability, implementation pathways, spatial targeting guidance, institutional arrangements, and monitoring and evaluation framework. Submitted for comment by PMT and PSC.	~ Month 13
7	***(Task 3)*** Targeted Municipal Capacity Support (1 municipality): Draft Tailored Municipal Inclusionary Housing Policy and Implementation Tools	***(Task 3) Draft*** tailored municipal IH policy for one selected municipality, informed by Task 2 feasibility findings; simple IH contribution assessment tool for use by municipal officials; short internal implementation guide covering the administrative workflow from application receipt to compliance monitoring. Submitted for comment by PMT, PSC, and municipality.	~ Month 15
8	***(Task 4) Final*** Pro Forma Affordable	***(Task 4) Final*** Standard draft Pro Forma Affordable Housing Enablement Policy, incorporating comments and inputs from PMT	~ Month 15

Contractor to initial……………………………..

	Category / Component	Deliverable(s)	Target / Deadline
	Housing Enablement Policy	and PSC.	
9	***(Task 3)*** Targeted Municipal Capacity Support (1 municipality): Final Tailored Municipal Inclusionary Housing Policy and Implementation Tools	***(Task 3)*** Tailored ***final draft*** municipal Inclusionary Housing Policy; incorporating comments and inputs from PMT, PSC, and municipality; record of two structured working sessions and one broader awareness session held with municipal officials and relevant stakeholders.	~ Month 18
10	Knowledge Transfer Workshop	One-day workshop for provincial and municipal officials covering feasibility methodology, pro forma IH policy, and pro forma affordable housing enablement policy; handover of all tools and models in fully working editable format; lessons learnt reflection.	~ Month 17 (prior to project close-out)
11	Monthly Progress Reports	Concise monthly written progress reports submitted via email to the Project Manager, covering progress, risks, and data/information needs.	Monthly throughout the contract period
12	Close-out and Overview Report and Data Handover	Report documenting outcomes, lessons learnt, process reflection, record of all key stakeholder engagements, documented data limitations and their effect on feasibility conclusions, and recommendations for future iterations; full handover of all statistical, financial, and spatial data, models, and tools in editable working format, subject to the data governance agreement.	~ Month 18

5.2 The service provider may propose their own sequencing and scheduling of tasks, provided this is clearly motivated by the internal logic of the methodology and the dependencies between deliverables. The proposed schedule **must**, however, ensure that the total cost of delivery is spread approximately equally across the two financial years of the contract period, being 2026/27 (October 2026 to 31 March 2027) and 2027/28 (1 April 2027 to 7 March 2028). All final deliverables must be submitted no later than 7 March 2028, to allow sufficient time for review, comment, and sign-off before the close of the 2027/28 financial year.

5.3 Whilst the exact start date is to be confirmed on appointment, the contract period must conclude no later than 31 March 2028. The service provider may propose to complete the project sooner in its bid, provided quality and engagement requirements are not compromised.

6. DELIVERABLES

6.1 The service provider must provide the following deliverables as part of the project:

	DELIVERABLES	Reply "COMPLY" or "DO NOT COMPLY" in the boxes below	Add comments and attachments as required
1	**PROJECT INCEPTION MEETING AND INCEPTION REPORT** a) The project will begin with an Inception Meeting between the successful bidder and the PMT, to be held within 20 working days of appointment. The purpose of the meeting is to clarify and confirm the scope, methodology, deliverables, project timeframes, invoicing schedule, meeting arrangements, access to existing HMS Round 1 and 2 data, and any related matters. This meeting may also serve to introduce the service provider to the participating municipalities for the Task 2 feasibility studies. b) One Inception Report covering the full scope of work must be delivered to the PMT within seven working days of the Inception Meeting. c) The Inception Report must include, at a minimum: • The proposed methodology for each of the four tasks, including the proposed feasibility methodology for Task 2 and the basis for the selection of representative development typologies, with motivation for the approach; • A gap analysis identifying data requirements, data sources, and the data acquisition strategy, including identification of any gaps in the existing HMS Round 1 and 2 datasets that may affect the confidence of Task 2 feasibility findings, and how these will be addressed; • A project plan setting out the phasing of deliverables, key milestones, task dependencies, meeting schedule, and alignment of expenditure across the two financial years of the contract period. The schedule must make provision for the development of draft deliverables, commenting on draft deliverables, and final deliverables; • The proposed sequencing of tasks, with motivation where this departs from the indicative sequencing in the ToR; • Roles and responsibilities for both the service provider and DEA&DP, including the nominated contact persons and key personnel for each task; and d) The inception report must be agreed with the PMT before substantive work on any task commences.		
2	**TASK 1: STANDARD DRAFT PRO FORMA INCLUSIONARY HOUSING POLICY** One draft and one final version of the Standard Draft Pro Forma Inclusionary Housing Policy must be submitted in digital format (PDF and editable Word format). The draft must be submitted to the PMT and PSC for comment before the final version is produced. The final version must consider and/or incorporate all comments and inputs from the PMT and PSC. The Pro Forma Inclusionary Housing Policy report must, at minimum, include: • The pro forma IH policy document itself, structured as a model policy that a municipality can adopt and adapt directly through its own council processes, covering all sections specified in Task 1 of this ToR, namely: enabling preconditions and transitional arrangements; policy scope and trigger conditions; set-aside requirements and feasibility calibration; policy options framework with contextual selection criteria; spatial targeting and land use management integration; administrative process and institutional requirements; certainty, consistency, and enforceability provisions; and monitoring and evaluation framework. Each section must be supported by concise internal technical notes		

	DELIVERABLES	Reply "COMPLY" or "DO NOT COMPLY" in the boxes below	Add comments and attachments as required
	documenting the evidence base, comparative policy analysis, and the rationale for the options and contextual selection criteria presented, with explicit reference to lessons drawn from Stellenbosch, Johannesburg, and relevant academic and practitioner literature, and how these have been applied or adapted for the non-metro Western Cape context; • Model IH policy clauses in a format suitable for direct incorporation into a municipal IH policy; • A model Inclusionary Housing Agreement template; and • Model planning permission conditions for IH obligations.		
3	**TASK 2: INCLUSIONARY HOUSING FEASIBILITY STUDIES FOR THREE MUNICIPALITIES** a) One ***draft*** feasibility assessment per municipality must be submitted in digital format (PDF and PowerPoint presentation format) in an agreed template, including an Executive Summary, for engagement with the relevant municipality and for review and comment by the PMT and PSC before finalisation. b) One ***final*** feasibility assessment per municipality must be submitted in digital format (PDF and PowerPoint presentation format) in an agreed template, including an Executive Summary, incorporating all comments and inputs from the PMT, PSC, and the relevant municipality. The final reports must be suitable for use by the municipalities and the WCG, and for sharing with the public. Each draft and final feasibility assessment must include, at minimum: • A summary of housing market conditions and the evidence base informing the feasibility analysis, including the development typologies used, the tenure scenarios tested, and the basis for their selection; • A residual land value analysis showing the value of representative development typologies under existing rights, the value under additional rights, and the land value increment attributable to incentives, for each typology tested; • A viability outcomes table setting out the results of the feasibility modelling across development typologies, tenure scenarios, set-aside scenarios, income sub-bands, and market value zones, with the hurdle rate and residual land value threshold clearly identified for each scenario; • A comparative assessment of the cost per affordable unit generated across typologies and market value zones, expressed as a consistent metric such as residual land value per square metre or net present value per affordable unit produced, to allow municipalities to be assessed on a consistent basis; • GIS shapefiles identifying recommended IH application zones, differentiated by market strength; • Clear recommendations on feasible set-aside percentages, tenure approaches, unit size parameters, incentive requirements, income targeting, and the basis for calculating fees in lieu, all derived from the residual land value analysis; • An assessment of long-term affordability risks and the implications for affordability preservation provisions in the policy; • Clear identification of areas or conditions under which inclusionary housing should not be applied, and the reasons for this; and • A concise narrative on municipal readiness and the preconditions and capacity development required before the policy can be implemented.		

	DELIVERABLES	Reply "COMPLY" or "DO NOT COMPLY" in the boxes below	Add comments and attachments as required
	c) In addition to the per-municipality feasibility assessment reports, the service provider must produce and hand over the following tools and supporting outputs: • A simple, replicable feasibility model and inclusionary housing contribution calculator, including a method for calculating fees in lieu anchored in the residual land value analysis, in a fully working editable format that DEA&DP and the municipalities can use independently after the contract concludes; and • GIS shapefiles for all spatial outputs produced under Task 2, in ArcGIS-compatible format. d) The service provider must document all data sources, vintages, assumptions, and data gaps underpinning the feasibility models, and must flag where data limitations affect the confidence of findings. This documentation must be included in the feasibility assessment reports and in the close-out and overview report. **Note on municipality substitution:** DEA&DP reserves the right to substitute any selected municipality with another of comparable profile, provided such substitution is agreed in writing between the parties.		
4	**TASK 3: TAILORED MUNICIPAL INCLUSIONARY HOUSING POLICY AND IMPLEMENTATION TOOLS FOR ONE MUNICIPALITY** a) One draft report (in PDF and editable Word format) setting out the tailored draft Inclusionary Housing Policy for the selected municipality, for engagement with the municipality and review and comment by the PMT and PSC before finalisation. b) One final draft report (in PDF and editable Word format) setting out the agreed upon final draft Inclusionary Housing Policy for the selected municipality, incorporating all comments and inputs from the PMT, PSC, and the municipality, for further development, engagement, and later council approval by the municipality. **<u>Note: The service provider will not be expected to take this document through any public participation or council approval processes. Responsibility for tabling and processing the technically-verified final draft through the municipality's internal governance and council approval processes rests with the municipality.</u>** The draft and final tailored municipal IH policy report must, at minimum, include: • A tailored draft municipal Inclusionary Housing Policy, informed directly by the Task 2 feasibility findings for the selected municipality, and structured so that it can be adopted and adapted through the municipality's own council processes. The policy must, at minimum, specify: the trigger threshold and its basis; the set-aside requirement and the feasibility evidence supporting it; the incentive package and its cost-benefit justification; the income targeting criteria and income sub-band allocations; the tenure options and conditions; the fees in lieu methodology and calculation basis derived from the Task 2 residual land value analysis; the affordability preservation mechanism and time horizon; the spatial targeting of IH obligations and receiving areas; the administrative process from pre-application engagement through to compliance monitoring; and the monitoring and compliance framework; • A simple, replicable IH contribution assessment tool, consistent with the feasibility model produced under Task 2, that municipal officials can use to evaluate the IH obligation and incentive package applicable to		

	DELIVERABLES	Reply "COMPLY" or "DO NOT COMPLY" in the boxes below	Add comments and attachments as required
	a specific development application without specialist assistance; and • A short internal implementation guide covering the administrative workflow from development application receipt through IH condition negotiation, agreement execution, unit transfer or fee payment, and ongoing compliance monitoring. c) The following engagements must be conducted with the selected municipality and documented in writing: • At least two structured working sessions with the relevant municipal officials and departments, focused on applying the policy and tools to realistic development application scenarios, with written notes confirmed with participants after each session; and • At least one broader internal awareness session for senior management, and councillors if at an appropriate stage of policy development, addressing the policy rationale, the feasibility evidence base, and the political and institutional preconditions for implementation. The service provider must confirm the format, participants, and objectives of each session in writing with DEA&DP before it is held. d) The service provider must document all engagements conducted under Task 3, including attendance, key discussion points, decisions taken, and follow-up actions required. This documentation must be submitted to the PMT after each engagement and included in the close-out and overview report. **Note on municipal selection:** DEA&DP reserves the right to determine the municipality to be supported under this task once feasibility analysis is complete (or for all practical purposes, almost complete), with reference to municipal readiness, political support for the policy process, and the findings of the institutional capacity and readiness assessments conducted under Task 2. Where the selected municipality is assessed as insufficiently ready to develop a full policy within the contract period, the service provider must advise DEA&DP accordingly and propose a revised scope focused on precondition development rather than policy drafting.		
5	**TASK 4: STANDARD DRAFT PRO FORMA AFFORDABLE HOUSING ENABLEMENT POLICY** a) One draft and one final version of the Standard Draft Pro Forma Affordable Housing Enablement Policy must be submitted in digital format (PDF and editable Word format). The draft must be submitted to the PMT and PSC for comment before the final version is produced. The final version must incorporate all comments and inputs from the PMT and PSC. b) The report must include a short review of the existing affordable housing enablement policy landscape in the Western Cape and South Africa, identifying existing policies that the pro forma must build on, reconcile with, and improve upon rather than duplicate, including but not limited to the Garden Route District Municipality Incentive Policy for Affordable Housing (2025). c) The Pro Forma Affordable Housing Enablement Policy report must, at minimum, include: • A practical menu of affordable housing enablement mechanisms available to municipalities, clearly distinguishing financial incentives, including development charge rebates, rates phasing, fee waivers, and municipal land made available at reduced value or on long lease, from non-financial incentives, including density bonuses, parking and bulk relaxations, streamlined approvals, and project packaging, and		

	DELIVERABLES	Reply "COMPLY" or "DO NOT COMPLY" in the boxes below	Add comments and attachments as required
	indicating which mechanisms apply to each affordable housing instrument and delivery model; • Guidance on large-scale and institutional affordable rental, owner-driven small-scale rental, and replicable small and medium-scale affordable housing models, with income bands and instrument definitions aligned to national and SHRA legislated criteria and expressed so that they update automatically as those criteria are revised; • A financial affordability assessment for every financial incentive proposed, demonstrating the revenue foregone and the municipality's capacity to absorb it, using a financial affordability or scorecard model that is consistent with and improves upon the model developed in the Garden Route work, and that is usable by municipal officials without specialist support; • Guidance on spatial targeting of incentives to designated restructuring zones, priority human settlement and housing development areas, and corridors identified in municipal spatial development frameworks, so that incentives reinforce rather than undermine the spatial development framework; • Guidance on how planning controls, land use management instruments, municipal land, and capital investment levers can be used to support affordable housing delivery; • The institutional arrangements required to operate the policy, including the evaluation and approval pathway for incentive applications, the departments responsible for each mechanism, and the delegations required, recognising that affordable housing enablement cuts across planning, human settlements, finance, engineering, and legal functions; • A monitoring and evaluation framework with defined performance indicators, data sources, reporting responsibilities, and a measures-for-non-performance provision addressing the lapsing of incentives and recovery of rebates where a project does not proceed; • A clear articulation of the relationship between this policy and a municipal Inclusionary Housing Policy developed under Tasks 2 and 3, so that the two instruments may operate together without double-counting or contradiction, with inclusionary housing operating as a condition of land use approval and the enablement incentives operating as the offsetting support mechanism; and • Short adaptation guide notes, integrated into the policy document, explaining which provisions are fixed for legal or alignment reasons and which are intended to be amended or populated locally, so that a municipality can adapt and adopt the pro forma through its own council processes without specialist assistance.		
6	**DATA** All data produced, acquired, or synthesised under this contract must be handed over to DEA&DP in fully working, editable format at project close-out, subject to the data governance agreement. The following must be included: a) All spatial data created for the analysis and reports, including all GIS shapefiles for maps and spatial outputs produced under Tasks 1, 2, 3, and 4, in ArcGIS-compatible shapefile format. Spatial data must include all recommended IH application zones, market value zone delineations, and any other spatially expressed outputs produced under Task 2. b) All statistical, financial, and property market data acquired or synthesised for the project, including all feasibility models, contribution calculators, and		

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	financial tools produced under Tasks 2 and 3, in fully working editable format, including all underlying assumptions, formulas, and input variables, so that DEA&DP and municipalities can update and apply the models independently after the contract concludes. c) All metadata documenting data sources, vintages, processing steps, assumptions, and known limitations for all datasets used in the project, in an accessible format that does not require specialised software to read or use. d) All data acquired by the service provider for the purposes of this project is acquired on behalf of the WCG and is owned by the WCG. No data may be retained, repurposed, or shared by the service provider beyond what is required for the performance of this contract, in accordance with the data governance agreement and POPIA compliance requirements. e) Where data limitations have affected the confidence of feasibility findings under Task 2, these must be clearly documented in both the feasibility assessment reports and the close-out and overview report, with an assessment of the implications for the reliability of the findings and recommendations for how these limitations should be addressed in future iterations of the work.		
7	**KNOWLEDGE TRANSFER** Knowledge transfer is a core requirement of this appointment and must be treated as an integral part of the service provider's approach throughout the contract period, not only at the point of the formal workshop. a) The service provider must conduct a one-day knowledge transfer workshop for provincial and municipal officials in approximately Month 17 of the contract period, prior to project close-out. The workshop must cover, at minimum: • The feasibility methodology developed and applied under Task 2, including the residual land value approach, the contribution calculator, and the fees-in-lieu calculation method, with sufficient practical demonstration that officials can apply and update the tools independently; • The Pro Forma Inclusionary Housing Policy produced under Task 1, including the policy options framework, contextual selection criteria, model clauses, model IH agreement, and model planning permission conditions; • The Pro Forma Affordable Housing Enablement Policy produced under Task 4, including the enablement mechanism menu, the financial affordability assessment approach, and the adaptation guide; and • Lessons learnt from the application of the pro forma and feasibility outputs in the Task 3 municipal capacity support process, and reflections on the process followed across the full contract period. b) The service provider must confirm the format, participants, agenda, and objectives of the workshop in writing with DEA&DP at least four weeks before it is held. c) All materials prepared for and arising from the workshop, including presentations, handouts, training guides, and any tools demonstrated, must be provided to the WCG in editable format within five working days of the workshop.		

	DELIVERABLES	Reply "COMPLY" or "DO NOT COMPLY" in the boxes below	Add comments and attachments as required
	d) Throughout the contract period, the service provider must transfer all methodologies, tools, and analytical approaches to provincial and municipal officials progressively, ensuring that DEA&DP and the participating municipalities are able to understand, apply, and update all outputs independently after the contract concludes. This includes: • Ensuring all feasibility models, contribution calculators, and spatial data are handed over in fully working editable format with documented methodologies; • Conducting the structured working sessions and awareness session required under Task 3 in a manner that builds genuine internal capacity in the selected municipality, not merely familiarity with the outputs; and • Documenting all methodologies clearly enough that the WCG and municipalities can undertake subsequent updates and adaptations without specialist assistance.		
8	**MONTHLY PROGRESS MEETINGS AND MONTHLY PROGRESS REPORTS** a) The service provider must attend monthly progress meetings with the PMT throughout the contract period. These meetings serve as the primary mechanism for progress monitoring, data quality and governance oversight, resolution of methodological or data access issues, and the flow of information and data between DEA&DP and the service provider. The service provider must come prepared to each meeting with a written progress report and must flag any risks, delays, or data gaps that may affect the quality or timing of deliverables. b) A concise written monthly progress report must be submitted by email to the Project Manager and PMT at least two working days before each monthly progress meeting. Each report must include, at minimum: • Progress against the project plan and deliverable schedule, with reference to the agreed milestones; • Tasks completed, in progress, and not yet commenced since the previous report; • Any risks or issues that may affect the quality, timing, or cost of deliverables, and proposed mitigation measures; • Data or information needs requiring action by DEA&DP or the participating municipalities; and • Expenditure to date against the agreed invoicing schedule, to allow DEA&DP to monitor alignment with the financial year split requirement. c) All PMT progress meetings and PSC engagements will be held virtually unless otherwise agreed in writing with DEA&DP. No provision is made in the contract for physical travel-related costs, and no claims for travel costs will be considered. d) DEA&DP will be responsible for formal minuting of PMT and PSC meetings and will maintain a running record of all decisions taken and actions agreed at PMT meetings. The service provider is not required to provide this service.		
9	**PROJECT CLOSE-OUT MEETING AND CLOSE-OUT AND OVERVIEW REPORT** a) A close-out and overview report must be submitted by the service provider on completion of the project, together with full handover of all deliverables, data, models, and tools as specified in this ToR and the data governance agreement. The close-out report and all accompanying deliverables must be submitted no later than 7 March 2028. b) The close-out and overview report must include, at minimum:		

	DELIVERABLES	Reply "COMPLY" or "DO NOT COMPLY" in the boxes below	Add comments and attachments as required
	• A summary of the outcomes of each of the four tasks, including the key findings of the Task 2 feasibility assessments and the policy approaches adopted in the Task 1 and Task 4 pro forma policies; • Reflections on lessons learnt across the full contract period, including what worked well, what did not, and what would be done differently in future iterations of similar work; • Documented limitations of the feasibility models produced under Task 2, including data gaps, assumption dependencies, and the implications of these limitations for the confidence and applicability of the findings; • Recommendations for how the feasibility methodology, pro forma policies, and implementation tools can be improved or updated in future rounds of the HMS programme; and • A high level record of all key stakeholder engagements conducted across all four tasks, including the parties engaged, the format and date of each engagement, the key discussion points, and decisions taken. c) A close-out meeting must be held with the PSC, at which the close-out and overview report is presented and discussed. The service provider must prepare a presentation for this meeting and must incorporate any material comments from the PSC into a final version of the close-out report submitted within five working days of the meeting.		
10	**GENERAL DELIVERABLE REQUIREMENTS** a) The service provider must submit at least one draft of each deliverable electronically to the PMT and PSC for comment and approval before the report is finalised. The service provider must allow a minimum of ten working days for PMT and PSC comment on each draft deliverable, unless a shorter period is agreed in writing. b) All documents generated and submitted by the service provider must be in editable electronic format. Specifically: • Written reports must be submitted in both PDF and editable Microsoft Word format; • Presentations must be submitted in both PDF and editable Microsoft PowerPoint format; • Feasibility models and contribution calculators must be submitted in fully working editable Microsoft Excel format, with all formulas, input variables, and assumptions visible and unlocked; and • All spatial data must be submitted in ArcGIS-compatible shapefile format, together with all associated metadata. c) The WCG shall own and hold copyright over all deliverables produced under this contract. All reports and presentations must include a clear statement on the cover page that the intellectual property belongs to the Western Cape Government, Department of Environmental Affairs and Development Planning, unless otherwise specified. Where a third-party licence is required for the use of certain images, data, or documents, this must be disclosed to DEA&DP in advance and clearly noted in the relevant deliverable. d) All final versions of deliverables must be submitted to the Project Manager, Directorate: Spatial Planning, Chief Directorate: Development Planning, Department of Environmental Affairs and Development Planning, in accordance with the submission deadlines set out in the phasing and timeframes table in this ToR.		

	DELIVERABLES	Reply "COMPLY" or "DO NOT COMPLY" in the boxes below	Add comments and attachments as required
	e) The service provider must maintain appropriate project management systems throughout the contract period to ensure that information is collated, quality-checked, and distributed to DEA&DP timeously in accordance with the agreed project plan. f) All deliverables must meet the following minimum quality standards before submission: • Factual accuracy and internal consistency across all tasks and deliverables; • Alignment with the specifications set out in this ToR and any refinements agreed in the inception report; • Clear, accessible language suitable for both technical and non-technical audiences, including municipal officials and councillors; and • Professional presentation appropriate for public release and use by municipalities as working policy documents.		

7. STAKEHOLDER ENGAGEMENT

7.1 The service provider must engage with provincial and municipal stakeholders at the following minimum levels:

- An inception meeting with the Project Manager and PMT within 20 working days of appointment.
- Monthly progress meetings with the PMT (virtual).
- Deliverable-based engagements with the PSC (virtual) on draft and final deliverables.
- For all tasks, the draft approach, method, and structure of each task must be agreed with the PMT before draft and final deliverables are produced.
- Task 1 and Task 4 engagements will take place through the monthly PMT and deliverable-based PSC meetings. At least one engagement is strongly encouraged with Stellenbosch Municipality to draw on its experience drafting and implementing the Stellenbosch Inclusionary Zoning Policy to identify lessons learnt in its process.
- At least one targeted engagement with each of the three selected Task 2 municipalities.
- At least two structured working sessions and one broader awareness session with the selected Task 3 municipality, covering the relevant spatial planning, human settlements, legal, and land use management functions, as set out under Task 3 of this ToR.
- Presentations of draft deliverables to the PMT and PSC for comment and approval prior to finalisation.
- Delivery of the one-day knowledge transfer workshop in approximately Month 17.

7.2 All project meetings and engagements will be held virtually unless otherwise agreed in writing. No provision is made in the budget for physical travel-related costs. PMT and PSC meetings will be minuted by DEA&DP.

8. DATA GOVERNANCE

8.1 The service provider must enter into Special Conditions of Contract relating to data governance, including the necessary warranties and indemnities to the WCG in respect of compliance with the Protection of Personal Information Act (POPIA). The following requirements apply:

- All work must be based on existing datasets from HMS Rounds I and 2, supplemented by new data acquisition only where justified and approved by the PMT;
- Any new data purchased or processed by the service provider for this project is purchased on behalf of, and owned by, the WCG;
- No specialist software may be used that the WCG or municipalities cannot reasonably be expected to access, or that imposes an ongoing cost burden;
- All data, models, and tools must be handed over to the WCG in fully working, editable format;
- All spatial data must be provided as ArcGIS-compatible shapefiles;
- Where the HMS Round 1 and 2 datasets are insufficient, the PMT will assist, to the best of its ability, in accessing data needed for Task 2 feasibility modelling. The service provider remains responsible for leveraging its own expertise to access necessary data, and must document any assumptions and data gaps that affect feasibility conclusions; and
- The service provider must document all data sources, vintages, and assumptions underpinning the feasibility models, and flag where data limitations affect the confidence of Task 2 findings.

9. KNOWLEDGE TRANSFER AND SKILLS DEVELOPMENT

9.1 Knowledge transfer is a core requirement of this appointment, to be embedded throughout the contract period and not only at the point of the formal workshop. The service provider must:

- Transfer all methodologies, tools, and analytical approaches developed during the project to provincial and municipal officials progressively, including through the Task 3 structured working sessions and awareness session;
- Conduct a one-day knowledge transfer workshop in approximately Month 17 with the PSC, PMT, and recipient municipalities, covering the feasibility methodology, the Pro Forma Inclusionary Housing Policy, and the Pro Forma Affordable Housing Enablement Policy, as detailed under the Knowledge Transfer deliverable in this ToR;
- Hand over all data, models, and tools in fully working, editable format; and
- Ensure all methodologies are clearly documented so that the WCG and municipalities can undertake subsequent updates and adaptations independently.

10. ROLES AND RESPONSIBILITIES

10.1 Department of Environmental Affairs and Development Planning (DEA&DP)

- Establish the Project Management Team (PMT) and Project Steering Committee (PSC);
- Provide available information from within the Department and the WCG, including existing HMS Round 1 and 2 datasets and deliverables;
- Schedule and minute all project meetings, including secretariat functions, agendas, minutes, and distribution of progress reports;
- Review and comment on all draft deliverables within the timeframes set out in this ToR;
- Track expenditure and progress against the project plan; and
- Provide final approval for all deliverables before public release.

10.2 Project Manager (DEA&DP) and Contract Monitoring

- The successful bidder must nominate a Project Manager and contact person in their bid to ensure efficient communication with the DEA&DP Project Manager who will interact with the successful service provider on behalf of the DEA&DP.
- The DEA&DP Project Manager will:
  - Initiate the project and confirm roles, responsibilities, and contact persons in the inception process;
  - Provide contact information for key role-players in the project, including participating municipalities;
  - Track the progress of deliverables and take remedial action where risks become evident;
  - Track expenditure to ensure it remains within budget and aligned with the agreed financial year split;
  - Monitor progress and sign off on monthly progress reports; and
  - Ensure quality control of final reports and related documents before submission to the PSC and public release.

10.3 Project management Team (PMT)

- A PMT, led by the DEA&DP Project Manager and comprising the Project Manager and the service provider, will be established to oversee the project. The PMT will:
  - Meet monthly, as set out under Monthly Progress Meetings in this ToR;
  - Oversee the project and take strategic decisions required during implementation;
  - Liaise and communicate with other stakeholders on the project;
  - Facilitate interactions between the project team and relevant role-players; and
  - Note progress on deliverables at each meeting.

10.4 Project Steering Committee (PSC)

- The PSC will consist, at minimum, of representatives of DEA&DP, Provincial Treasury, the Department of Infrastructure, the Department of the Premier, and key participating municipalities, as well as the service provider. The PSC will:
  - Manage, monitor, support, and facilitate the expeditious completion of the project;

- Critically engage with and approve all deliverables submitted by the service provider, in accordance with the General Deliverable Requirements set out in this ToR;
- Foster cooperation amongst stakeholders and facilitate municipal participation.

10.5 **Service Provider**

The service provider must:

- Allocate a Project Manager from their team to engage directly with the DEA&DP Project Manager;
- Take full technical responsibility for delivery of all tasks as set out in this ToR;
- Prepare and submit all draft and final deliverables in accordance with the specifications, formats, and timeframes set out in this ToR;
- Submit monthly progress reports and attend monthly PMT meetings, as set out under Monthly Progress Meetings and Reports;
- Work closely with the DEA&DP Project Manager, PMT, and PSC throughout the contract period; and
- Comply with all data governance and POPIA requirements set out under Data Governance in this ToR.

11. CONSULTANT PROPOSAL AND SUBMISSION REQUIREMENTS

11.1 Supply Chain Management Requirements

- Proof of registration on the National Treasury Central Supplier Database (CSD);
- Completion of all required WCG bid documents (WCBD 1, WCBD 3.1, WCBD 3.3, WCBD 4, and WCBD 6.1, where applicable).
- Failure to meet the requirements, your offer will be deemed non-responsive and will not be considered for further evaluation.

11.2 Proposal Content

11.2.1 Bid proposals must include the following information:

- **Organisational overview:** company background and service offering;
- **Team composition**: names, CVs, qualifications, years of experience, professional registrations, and physical location of all proposed team members, mapped against the five Skill Areas set out in this ToR, certified copies of qualifications required;
- **Portfolio of evidence**: a minimum three related projects or areas of work including scope, outcomes, value, year completed, and contactable references;
- **Workplan and methodology**: the bidder's proposed approach to each of the four tasks, demonstrating responsiveness to the minimum requirements set out in this ToR, including the proposed feasibility methodology for Task 2 and the rationale for any proposed departure from the indicative task sequencing;
- **Project plan**: proposed schedule, milestones, and phasing of deliverables, consistent with the Phasing and Timeframes table in this ToR and the requirement that costs be spread approximately equally across the two financial years; and
- **Costing/budget**: hourly rates (inclusive of VAT), hours per task, and total cost per component, in accordance with the DPSA Guide on Hourly Fee Rates for Consultants and the requirement that <u>**each task**</u> be costed discretely to allow for partial award.

Note: The detailed content requirements for the workplan and methodology are not repeated here. Bidders must respond to the minimum requirements specified under each Task in this ToR, and to the Inception Report requirements. This section sets out only the structure in which that response must be submitted.

12. EVALUATION AND ADJUDICATION OF BIDS

12.1 Bids will be evaluated in the following manner:

- Phase 1(a): Compliance with SCM Conditions and Requirements;
- Phase 1(b): Compliance with minimum Bid and ToR Conditions and Requirements;
- Phase 2: Evaluation of bid submission, methodology, and project plan (Capability and Ability Functional Requirements); and
- Phase 3: Preferential Procurement Evaluation (Price and B-BBEE evaluation).

12.2 Phase 1(a): Compliance with SCM Conditions and Requirements

12.2.1 This evaluation is based on the compliance to the SCM requirements which includes, among others, registration on the Central Supplier Database (CSD), submission/attaching all required documents/evidence required, completion of this document in full as per the instructions and guidelines provided.

12.2.2 All documents must be completed and signed by the duly authorised representative of the prospective bidder(s). During this phase Bidders' response will be evaluated based on compliance with the listed administration and compulsory bid requirements.

12.2.3 Bids that do not comply with all SCM requirements will be disqualified. Requirements include registration on the CSD, submission of all required bid documents, and completion of this document in full.

Table 12.1: Responsiveness Criteria Applicable to this Bid:

Schedules	Description	Mandatory	Returnable Documents
WCBD 1	Invitation to Bid	√	√
WCBD 3.1	Pricing Schedule	√	√
WCBD 3.2	Price Adjustments (Non-firm pricing)		√
WCBD 3.3	Final Pricing Schedule	√	√
WCBD 4	Declaration of Interest, Declaration of Bidder's Past Supply Chain Management Practices and Certificate of Independent Bid Determination.	√	√
WCBD 6.1	If the bidder intends to insource/sub-contract, such details must be detailed in the WCBD 6.1		√
CSD	**Bidders must be registered on the at the time of award** - Submission of Proof of CSD Registration or latest Report.	√	√
GCC, SCC and ToR	Bidders must accept all bid conditions by: • initialing every page of the ToR	√	√

12.3 Phase 1(b): Minimum Bid and ToR Compliance

12.3.1 During this phase, compliance will be assessed against the minimum bid conditions and bid submission requirements as indicated Table 12.2. **Failure to submit bid documents listed in Table 12.2 will result in the disqualification of a bid**.

12.3.2 Bids will be subjected to the responsiveness criteria to determine which bid responses are compliant or non-compliant with the bid specifications and requirements issued by the

Department as part of the bid process. This evaluation is based on the compliance to the demonstrated ability and capability of the bidder to execute the bid and only bid offers that comply in all aspects will be considered for Phase two (2). (The Western Cape Government also reserves the right to conduct reference checks).

12.3.3 Bidders must demonstrate minimum compliance with the following requirements. Failure to comply will result in disqualification:

- Submission of CVs, qualifications, and experience for:
  1) Skill Area 1: a Project Manager and Lead (min. NQF 8, min. 5 years relevant experience);
  2) Skill Area 2: a technical expert in spatial planning and land use management, planning law, and housing policy, with demonstrated experience in the development or implementation of municipal planning instruments such as zoning schemes, overlay zones, municipal planning by-laws, or housing-related policy and regulatory frameworks. Experience with inclusionary housing or affordable housing enablement mechanisms specifically is advantageous (min. NQF 8, min. 5 years);
  3) Skill Area 3: a Technical Expert in residential property markets, housing economics and development feasibility analysis, with demonstrated experience in residual land value methodology and development feasibility modelling (min. NQF 8, min. 5 years);
  4) Skill Area 4: a Data Analyst with spatial and property market data expertise (min. NQF 8, min. 5 years); and
  5) Skill Area 5: a Mapping Specialist (min. NQF 6, min. 2 years);

- Portfolio of evidence of a minimum of three similar projects; and
- Submission of a methodology, project plan, and costing in accordance with the proposal structure requirements.

Table 12.2: Minimum Bid Conditions and Submission Requirements.
NOTE: Please indicate with an "X" if the bidder complies with the compulsory requirements of the bid. Non-compliance with the stipulated requirement will lead to the disqualification of the bid.

Minimum Bid Conditions and Submission Requirements	Comply	Do not comply
Bidders must provide:		
Qualifications:		
a) Bidder to submit names, curriculum vitae, years of experience, and proof of the number of years' experience, and qualifications of all team members. The Project Lead and key professional staff (the 5 skill areas) must be identified as such.		
b) Applicable qualifications may include city and regional planning, planning law, engineering, data science, property and construction economics (particularly residential property analysis), property valuations and finance, and GIS / spatial analytics, together with relevant work experience as it relates to the scope of work. Other applicable professional qualifications may be considered. Certified copies of qualifications are required.		
c) Note: International qualifications must be accompanied with SAQA accreditation and/or any formally recognised professional body (international/local).		

Minimum Bid Conditions and Submission Requirements	Comply	Do not comply
d) The skills and expertise described below **do not need to be held by a different person for each field of expertise**, provided all expertise is adequately covered by the team members.		
Skill Area 1: Project Manager & Lead:		
a) An Honours degree (or higher) in one of the applicable qualifications (NQF 8).		
b) Evidence of the ability and skills to manage the project, ensuring adherence to timeframes, scope, and budget, while maintaining quality of deliverables.		
c) Demonstrable experience and expertise in conducting work that is similar in nature / related projects to the scope of work in this bid, which may include housing market studies, property-sector feasibility studies, property economics, and a demonstrated understanding of the interaction between property markets and social impact. Experience in inclusionary or affordable housing policy development is advantageous but not a prerequisite, given the nascent state of this practice in South Africa.		
d) At least 5 years of relevant experience.		
Skill Area 2: Technical experts in spatial planning and land use management, urban design, planning law, and housing policy (experience with inclusionary housing or affordable housing enablement mechanisms specifically is advantageous):		
a) An Honours degree (or higher) in one of the applicable qualifications (NQF 8).		
b) Evidence of demonstrable experience in spatial planning and land use management, urban design, planning law, and housing policy, including the development, review, or implementation of municipal planning instruments such as zoning schemes, overlay zones, or municipal planning by-laws, and/or housing-related policy and regulatory frameworks, such as affordable housing strategies or affordable housing enablement policies. Experience with inclusionary housing specifically is advantageous but not a prerequisite.		
c) Demonstrated experience applying land use or development planning instruments to achieve housing outcomes, including assessment of development incentives or regulatory mechanisms such as density bonuses, land contributions, or development charges, and evidence of applied work in the South African property or planning sector.		
d) Demonstrated understanding of the legislative, institutional, and regulatory environment governing housing, land use planning, and human settlements in South Africa.		
e) Evidence of experience integrating economic, spatial, and social considerations into policy development, including an understanding of land use management systems, property market dynamics, and developer behaviour.		

Minimum Bid Conditions and Submission Requirements	Comply	Do not comply
f) At least 5 years of relevant experience.		
Skill Area 3: Technical experts in residential property markets, property economics, quantity surveying, housing economics, and feasibility analysis:		
a) An Honours degree (or higher) in one of the applicable qualifications (NQF 8).		
b) Evidence of demonstrable experience conducting research into residential property markets and housing economics in South Africa, including feasibility assessments, with a focus on affordability and factors influencing the lower end of the residential market. Experience in feasibility assessment relating to development incentives, regulatory instruments, and financial viability across market segments is advantageous; specific prior experience with inclusionary housing is not a prerequisite.		
c) Experience undertaking or contributing to property development feasibility studies, including residual land value calculations or equivalent methodologies, financial modelling, scenario testing, and policy impact assessment.		
d) Evidence of technical skills in analysing spatial, economic, and property market data.		
e) At least 5 years of relevant experience.		
Skill Area 4: Data analyst, with specific expertise in property market data		
a) An Honours degree (or higher) in one of the applicable qualifications (NQF 8).		
b) Evidence of experience in collection and detailed spatial analysis of property market data, with a demonstrated ability to work with South African deeds registry data.		
c) At least 5 years of relevant experience.		
Skill Area 5: Mapping specialist		
a) Suitably qualified with recognised degree/ diploma and demonstrable experience and maturity in mapping of data in such a way as to clearly communicate analysis and implications of the analysis.		
b) At least 2 years of relevant experience is required.		
(A) Curriculum Vitae:		
a) CV of experts who will be used in rendering the service(s), demonstrating qualification and experience. b) CV must indicate the years of experience, accreditation/professional registration, qualifications, and physical location/address.		

Minimum Bid Conditions and Submission Requirements	Comply	Do not comply
c) CVs of the individuals should contain projects relevant to this assignment		
(B) Experience:		
Individual experience: • Experts must have the minimum of years' experience as outlined above.		
Service provider portfolio of evidence: • Portfolio of evidence containing a minimum of three (3) projects relevant to the project (covering both housing policy related work and feasibility/technical/quantitative analysis and modelling to inform policy and determine viability). The portfolio of evidence must include the following: i. Scope of the project; ii. Key outcomes of the project (objectives achieved); and iii. Value of the project and year in which completed. iv. Contactable work references.		
(C) Approach, Methodology & Project Plan:		
Approach and Methodology The bidder must submit a detailed methodology and approach setting out how each of the four tasks in this ToR will be undertaken. The submission must demonstrate a clear understanding of the project's objectives, the tasks and deliverables set out in this ToR, and the outputs and outcomes the bidder intends to deliver. The methodology must respond specifically to the minimum requirements set out under each Task and the Inception Report requirements in this ToR, including the bidder's proposed feasibility methodology for Task 2 and the rationale for any proposed departure from the indicative task sequencing.		
Project Plan The bidder must submit a project plan setting out how the deliverables will be accomplished over the duration of the project, including: a) **Project schedule and milestones**: a schedule detailing the project timeline and major activity milestones, aligned to cash flow expectations and consistent with the Phasing and Timeframes table in this ToR, including the requirement that costs be spread approximately equally across the two financial years of the contract period. b) **Personnel schedule and costing**: a schedule of personnel allocated to the project, their position and designation in the project team, the components of work they will be engaged with, the approximate hours of involvement, hourly rates (inclusive of VAT, aligned to the DPSA approved rates), and any data acquisition costs (If applicable), itemised separately by source and estimated cost. The Department will make available all deliverables and data produced as part of the Housing Market Studies Round 1 and Round 2 projects. c) **Team and resource allocation per task and subtask**: a work breakdown structure detailing all tasks and subtasks, with team and resource allocation, calendar time allocations, and major activities clearly assigned per task and subtask. d) **Discrete task costing**: each of the four Tasks must be costed separately and on a standalone basis, inclusive of all associated inputs, including stakeholder engagement, required deliverables, and a pro-rata allocation of inception, project management, reporting, and close-out costs. Discrete task costing must also be reflected in the Pricing Schedule (WCBD 3.1), structured so that each Task's cost can be identified and evaluated independently. This is required because DEA&DP reserves the right, at its sole discretion, to award the contract		

Minimum Bid Conditions and Submission Requirements	Comply	Do not comply
in whole or in part, for any combination of tasks described in this ToR, and bid responsiveness on this requirement will be assessed accordingly. e) **Invoicing and payment schedule**: invoicing will be based on deliverables. The bidder must submit a schedule of payments, including a breakdown of costs (inclusive of VAT), tasks, deliverables, and timeframes consistent with the project plan and the phasing requirements set out in this ToR. The service provider must build in time for draft deliverables to be submitted, reasonable comment to be provided, and finalisation before payment is made. f) **Project administration**: the cost of administrative support and project management. g) **Data ownership**: where the service provider is unable to hand over all data ownership and copyright to the WCG, this must be clearly disclosed and explained in the proposal.		

12.4 **Phase 2: Functionality Evaluation of Bid Submission, Methodology & Project Plan (Capability & Ability Functionality Requirements)**

12.4.1 During this phase, the bidder's ability to substantively demonstrate competence to execute the scope of work against the following functionality criteria, will be assessed.

12.4.2 Bids that comply with Phases 1(a) and 1(b) will be evaluated against the following functionality criteria. Bidders must score a minimum of 70 out of 100 to proceed to Phase 3.

12.4.3 **Evaluation of Bid Submission, Methodology and Project Plan (Capability and Ability Functional Requirements)**

12.4.3.1 Proposals will be evaluated against the following capability and ability functionality responsiveness criteria in the tables below:

Table 12.3: Functionality Criteria and Maximum Points Awarded per assessment area.

Functionality Criteria	Maximum Points
Service providers' skills and competencies	**45**
Proof of the **relevant number of years of experience** in the areas of work as stated in the bid document, including the curriculum vitae of key professional staff. • **Skill Area 1**: Project Manager & Lead (**minimum** 5 years) • **Skill Area 2**: Technical experts in spatial planning and land use management, urban design, planning law, and housing policy (inclusionary housing, and affordability mechanisms advantageous) (**minimum** 5 years) • **Skill Area 3**: Technical experts in residential property markets, property economics, quantity surveying and feasibility analysis (minimum 5 years) • **Skill Area 4**: Data analyst (**minimum** 5 years) • **Skill Area 5**: Mapping Specialist (**minimum** of 2 years)	15
Composition of the team and proof of **relevant qualifications** as stated in in the Bid Document, including curriculum vitae of key professional staff. • **Skill Area 1**: Project Manager & Lead (**minimum** NQF level 8 or Honours in applicable qualification) • **Skill Area 2**: Technical experts in spatial planning and land use management, urban design, planning law, and housing policy (inclusionary housing, and affordability mechanisms advantageous) (**minimum** NQF level 8 or Honours in applicable qualification) • **Skill Area 3**: Technical Experts in residential property markets, property economics, quantity surveying, and feasibility analysis (**minimum** NQF level 8 or Honours in applicable qualification) • **Skill Area 4**: Data analyst (**minimum** NQF level 8 or Honours in applicable qualification) • **Skill Area 5**: Mapping Specialist (**minimum** of a recognized degree/ diploma)	10
Demonstrated breadth and relevance of the team's collective project portfolio in residential property market analysis, housing economics, feasibility studies, and housing policy design, with a particular focus on lower and gap market segments. Submissions must include concise descriptions of relevant previous projects, clearly outlining scope, methodology applied, and outcomes achieved. Relevant project experience need not reside in a single team member, provided it is evidenced across the team as a whole, consistent with the cross-skill provision elsewhere in this ToR. Experience in the development or assessment of inclusionary housing and/or affordable housing mechanisms is advantageous.	20

Contractor to initial……………………………..

Functionality Criteria	**Maximum Points**
Interpretation of the terms of reference and responsiveness of the methodology and project plan	**40**
Proposal indicates appropriate understanding of the tasks and deliverables highlighted in the terms of reference, including a detailed methodology and approach to the work. Proposals will be scored on the methodology and approach described in the proposal and should include the following:	
a) ***Methodology and approach***: the service provider has to set out in detail their proposed methodology and approach that they will be using to undertake the tasks required in this project. This will be an opportunity for the service provider to demonstrate their deep knowledge and understanding of the project, what it seeks to achieve, and what outputs and outcomes will be delivered.	20
b) a **project plan** detailing the project schedule and major activity milestones relative to cash flow expectations; and	10
c) a **schedule of personnel** allocated to the project, their positions and designations and hours they will be involved in the project as well as hourly rates (including VAT) and data acquisition costs.	5
d) **team resource allocation** per task and sub-task.	5
Service provider portfolio of evidence of similar projects / related areas of work	**15**
Service provider port**folio of evidence demonstrating proven project management experience** on projects relevant to this ToR (housing policy work, feasibility analysis, housing market studies, or related areas of work), with **project management leadership** demonstrated by the proposed **Project Manager and Lead**.	15
Total score:	**100**

12.4.4 **Description of Scores**

The description of scores, which will be used to score bids submitted is as follows:

Service providers' skills and competencies (45)		
Proof of the **relevant number of years of experience** in the areas of work as stated in the terms of reference, including CVs of key professional staff. **Total maximum points available: 15** Each Skill Area is scored independently on the scale shown, up to a maximum of 15 points per Skill Area. The weighted score for this component (out of a maximum of 15 points overall) is calculated as follows: **Total Score** = 23% x (Skill Area 1 Score) + 22% x (Skill Area 2 Score) + 22% x (Skill Area 3 Score) + 22% x (Skill Area 4 Score) + 11% x (Skill Area 5 Score) Where each Skill Area Score is the raw score (0 to 15) obtained from the scale for that Skill Area.	**Skill Area 1**: Proof of the relevant number of years of experience of the Project Manager & Lead (minimum 5 years)	• Less than 5 years' experience = 0 points • Minimum of 5 years' experience = 7.5 points • Between 6- and 10-years' experience = 11.25 points • Over 10 years' experience = 15 points
	Skill Area 2: Proof of the relevant number of years of experience of the Technical Experts in spatial planning and land use management, urban design, planning law, and housing policy (minimum 5 years)	• Less than 5 years' experience = 0 points • Minimum of 5 years' experience = 7.5 points • Between 6- and 10-years' experience = 11.25 points • Over 10 years' experience = 15 points
	Skill Area 3: Proof of the relevant number of years of experience of the Technical Experts in residential property markets, property economics, quantity surveying and feasibility analysis (minimum 5 years)	• Less than 5 years' experience = 0 points • Minimum of 5 years' experience = 7.5 points • Between 6- and 10-years' experience = 11.25 points • Over 10 years' experience = 15 points
	Skill Area 4: Proof of the relevant number of years of experience of the Data analyst (minimum 5 years)	• Less than 5 years' experience = 0 points • Minimum of 5 years' experience = 7.5 points • Between 6- and 10-years' experience = 11.25 points • Over 10 years' experience = 15 points
	Skill Area 5: Proof of the relevant number of years of experience of the Mapping Specialist (minimum of 2 years)	• Less than 2 years' experience = 0 points • Minimum of 2 years' experience = 7.5 points • Between 3- and 5-years' experience = 11.25 points • Over 5 years' experience = 15 points
Composition of the team and **proof of relevant qualifications** as stated in the terms of reference of key professional staff. **Total maximum points available: 10** Each Skill Area is scored independently as per the scale, up to a maximum of 10 points per Skill Area. The weighted score for this component (out of a maximum of 10 points overall) is calculated as follows: **Total Score** = 23% x (Skill	**Skill Area 1**: Proof of relevant qualifications of the Project Manager & Lead	• NQF level 7 or less OR a non-applicable qualification = 0 points • NQF level 8 or Honours in applicable qualification = 5 points • NQF level 9 or Masters in applicable qualification = 7.5 points • NQF level 10 or Doctorate in applicable qualification = 10 points
	Skill Area 2: Proof of relevant qualifications of the Technical Experts in spatial planning and land use management, urban design, planning law, and housing policy	• NQF level 7 or less OR a non-applicable qualification = 0 points • NQF level 8 or Honours in applicable qualification = 5 points • NQF level 9 or Masters in applicable qualification = 7.5 points

Area 1 Score) + 22% x (Skill Area 2 Score) + 22% x (Skill Area 3 Score) + 22% x (Skill Area 4 Score) + 11% x (Skill Area 5 Score) Where each Skill Area Score is the raw score (0 to 10) obtained from the scale for that Skill Area		• NQF level 10 or Doctorate in applicable qualification = 10 points
	Skill Area 3: Proof of relevant qualifications of the Technical Experts in residential property markets, property economics, quantity surveying, and feasibility analysis	• NQF level 7 or less OR a non-applicable qualification = 0 points • NQF level 8 or Honours in applicable qualification = 5 points • NQF level 9 or Masters in applicable qualification = 7.5 points • NQF level 10 or Doctorate in applicable qualification = 10 points
	Skill Area 4: Proof of relevant qualifications of the Data analyst	• NQF level 7 or less OR a non-applicable qualification = 0 points • NQF level 8 or Honours in applicable qualification = 5 points • NQF level 9 or Masters in applicable qualification = 7.5 points • NQF level 10 or Doctorate in applicable qualification = 10 points
	Skill Area 5: Proof of relevant qualifications of the Mapping Specialist	• NQF level 5 or less OR a non-applicable qualification = 0 points • NQF level 6 or National Diploma in applicable qualification = 5 points • NQF level 7 or bachelor's degree in applicable qualification = 7.5 points • NQF level 8 (Honours) or higher in applicable qualification = 10 points
Demonstrated breadth and relevance of the team's collective project portfolio in residential property market analysis, housing economics, feasibility studies, and housing policy design, with a particular focus on lower and gap market segments. Submissions must include concise descriptions of relevant previous projects, clearly outlining scope, methodology applied, and outcomes achieved. Relevant project experience need not reside in a single team member, provided it is evidenced across the team as a whole, consistent with the cross-skill provision elsewhere in this ToR. Experience in the development or assessment of inclusionary housing and/or affordable housing mechanisms is advantageous. **Total Maximum Points Available: 20**		• No relevant projects described, or projects described do not demonstrate scope, methodology, or outcomes = 0 points • 1 relevant project described, with clear scope, methodology, and outcomes = 5 points • 2 relevant projects described, with clear scope, methodology, and outcomes, covering at least two of the three required domains (market analysis, feasibility, policy) = 10 points • 3 relevant projects described, with clear scope, methodology, and outcomes, covering all required domains, including at least one project relating to inclusionary or affordable housing, housing market studies, or feasibility analysis specifically = 15 points • 4 or more relevant projects described, with clear scope, methodology, and outcomes, covering all required domains, including at least two projects relating to inclusionary or affordable housing, housing market studies, or feasibility analysis specifically = 20 points
Interpretation of the terms of reference and responsiveness of the methodology and project plan (40)		
Proposal indicates appropriate understanding of the tasks and deliverables highlighted in the terms of reference, including a	***Methodology and approach***: the service provider is to set out in detail their proposed methodology and approach that they will be using to undertake the tasks required in this project. This will be an opportunity for	• No methodology and approach or one that is inherently unrealistic or unachievable or non-responsive to the terms of reference = 0 points • A weak / generic methodology and approach that is missing key deliverables as set out in the

detailed approach to the work. Proposals will be scored on the approach described in the proposal and other than the detailed project approach should also include the following:	the service provider to demonstrate their deep knowledge and understanding of the project, what it seeks to achieve, and what outputs and outcomes will be delivered. **Total maximum points available: 20**	terms of reference = 5points • An acceptable methodology and approach that is responsive to the terms of reference = 10 points • A good methodology and approach that is detailed and responsive to the terms of reference = 15 points • An excellent methodology and approach that is detailed, responsive to the terms of reference and illustrative of a deep understanding of what is required in the project = 20 points
	a **project plan** detailing the project schedule and major activity milestones relative to cash flow expectations. **Total maximum points available: 10**	• No project plan or a project plan that is inherently unrealistic or unachievable or non-responsive to the terms of reference = 0 points • A weak / generic project plan that is missing key deliverables as set out in the terms of reference = 2.5 points • An acceptable project plan that is responsive to the terms of reference = 5 points • A good project plan that is detailed and responsive to the terms of reference = 7.5 points • An excellent project plan that is detailed, responsive to the terms of reference and illustrative of a deep understanding of what is required in the project = 10 points
	schedule of personnel allocated to the project, their positions and designations and hours they will be involved in the project as well as hourly rates (including VAT) and data acquisition costs. **Total maximum points available: 5**	• No schedule of personnel or a schedule of personnel that is non-responsive to the terms of reference = 0 points • A weak / generic schedule of personnel that is missing key information as required = 1.25 points • An acceptable schedule of personnel that is responsive to the terms of reference and includes all information = 2.5 points • A good / detailed schedule of personnel that is responsive to the terms of reference = 3.75 points • An excellent / detailed schedule of personnel, responsive to the terms of reference = 5 points
	team resource allocation per task and sub-task. **Total maximum points available: 5**	• No indication of team resource allocation per task and sub-task = 0 points • A weak / generic / unrealistic indication of team resource allocation per task and sub-task = 1.25 points • An acceptable indication of team resource allocation per task and sub-task = 2.5 points • A good / detailed indication of team resource allocation per task and sub-task = 3.75 points • An excellent / detailed indication of team resource allocation per task and sub-task = 5 points
Service provider portfolio of evidence of relevant projects (15)		
A **portfolio of evidence** demonstrating proven **project management experience** on relevant projects (e.g. housing policy work, feasibility analysis, housing market studies, or related		• No relevant projects submitted, or the Project Manager and Lead's role is not evidenced = 0 points

areas of work) related to that envisaged in this Terms of Reference, with project management competence demonstrated by the proposed **Project Manager and Lead**. **Total maximum points available: 15**	• 1 relevant project submitted: Project Manager and Lead's role unclear or in a supporting capacity only = 3.75 points • 2 relevant projects submitted; Project Manager and Lead in a leading role on at least one, with a contactable reference provided = 7.5 points • 3 relevant projects submitted; Project Manager and Lead in a leading role on the majority, with contactable references provided for each = 11.25 points • 4 or more relevant projects submitted; Project Manager and Lead in a leading role on the majority, with contactable references provided for each = 15 points
Total score:	**100**
Minimum Functionality score to qualify for further evaluation	**70%**

Important Notes:

i. Bidders that achieve a minimum functionality score of 70% will proceed to Phase 3 for evaluation on price and B-BBEE preferential points. Bidders that score below 70% will not be considered further.

ii. Bidders must ensure that all information requested is provided in detail. Failure on the bidder's part to provide the evidence required to award points will result in no points being awarded for the criteria.

iii. Unclear or incomplete information provided will result in no points being allocated.

iv. Bidders must submit applicable information for this bid. Reference to any attached documentation must be clearly indicated.

v. Points will be allocated in terms of the evidence provided by the bidder.

12.5 **Phase 3: Preferential Procurement Evaluation (Price & B-BBEE evaluation)**

12.5.1 All bidders who have met all the conditions of bidding and legislative requirements as per phase 1(a) and phase 1(b), as well as achieved a minimum score of 70 or more for capability and ability functionality (phase 2) will be assessed in phase 3 according to the 80/20 preferential points scoring system:

- Price: 80 points
- Equity (B-BBEE): 20 points

12.5.2 Equity will be evaluated based on the following (out of 20 points):

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

The DEA&DP reserves the right not to accept the lowest, highest, or any bid, or to accept part or the whole of any bid.

13. INTELLECTUAL PROPERTY

13.1 All documentation, data, models, tools, spatial data, and other information related to the project, in whatever format, will be the intellectual property of the Western Cape Government. This includes all spatial data and attribute information generated through GIS. The service provider may not use, reproduce, or distribute any project materials without the written consent of the Department, except where a third-party licence governs specific data, images, or documents used in the project, in which case the requirements set out under General Deliverable Requirements and Data Governance in this ToR apply.

14. GENERAL CONDITIONS OF BID

14.1 The service provider is required to confirm that its proposal will be valid for 90 days from the closing date.

14.2 During the evaluation period, the service provider may be requested to clarify matters in relation to the proposal submitted. Such information must be supplied free of charge.

14.3 The service provider may be requested to deliver presentations to the Department to demonstrate previous experience and understanding of the service requirements.

14.4 After awarding the contract, a project inception meeting must be arranged by the service provider within 20 working days.

14.5 Monthly written progress reports must be submitted via email to the Project Manager, covering progress, risks, and data and information needs.

14.6 All deliverables must be submitted in editable electronic format.

14.7 Hourly rates of remuneration must be aligned with the latest DPSA Guide on Hourly Fee Rates for Consultants.

14.8 Project team members must be available for the duration of the project; the service provider is not allowed to change the composition without prior consent of DEA&DP.

15. ENQUIRIES

15.1 **Supply Chain Management Enquiries**

Donna Swartz

Tel: 021 483 4471

Email: DEADP.SCMHelpdesk@westerncape.gov.za / Donna.Swartz@westerncape.gov.za

15.2 **Technical Enquiries**

Allan Rhodes

Tel: 021 483 0764

Email: Allan.Rhodes@westerncape.gov.za

PRICING SCHEDULE – FIRM PRICES

(PURCHASES)

NOTE: **ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED**

Name of bidder: ……………………………………………	**Bid Number: DEA&DP3/2026**
Closing Time: 11H00am	**Closing date: 21 September 2026**

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

DESCRIPTION:	QUANTITY	TOTAL COST (VAT INCLUSIVE Bid Price in RSA Rands)
TASK 1: Pro Forma Inclusionary Housing Policy	1	R…………………………
TASK 2: Inclusionary Housing Feasibility Studies (George, Drakenstein, Mossel Bay)	3	R…………………………
TASK 3: Targeted Municipal Capacity Support (1 Municipality)	1	R…………………………
TASK 4: Pro Forma Affordable Housing Enablement Policy	1	R…………………………
GRAND TOTAL (INCLUSIVE VAT)		R…………………………

Enquired by:		**DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING**
-	At:	1 & 3 Dorp street CAPE TOWN, 8000
-	Brand and model	………………………………….
-	Guarantee period	……………………………….
-	Country of origin	………………………………….
-	Does the offer comply with the specification(s)?	*YES / NO
-	If not to specification, indicate deviation(s)	…………………………………..
-	Period required for delivery	………………………………….. *Delivery: Firm / not firm
-	Delivery basis	……………………………………..

Note: All delivery costs must be included in the bid price, for delivery at the prescribed destination.

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

PRICE ADJUSTMENTS

A NON-FIRM PRICES SUBJECT TO ESCALATION

1. IN CASES OF PERIOD CONTRACTS, NON-FIRM PRICES WILL BE ADJUSTED (LOADED) WITH THE ASSESSED CONTRACT PRICE ADJUSTMENTS IMPLICIT IN NON-FIRM PRICES WHEN CALCULATING THE COMPARATIVE PRICES

2. IN THIS CATEGORY PRICE ESCALATIONS WILL ONLY BE CONSIDERED IN TERMS OF THE FOLLOWING FORMULA:

$$Pa = (1-V)Pt\left(D1\frac{R1t}{R1o} + D2\frac{R2t}{R2o} + D3\frac{R3t}{R3o} + D4\frac{R4t}{R4o}\right) + VPt$$

Where:

Pa	=	The new escalated price to be calculated.
(1-V)Pt	=	85% of the original bid price. **Note that Pt must always be the original bid price and not an escalated price.**
D1, D2..	=	Each factor of the bid price e.g., labour, transport, clothing, footwear, etc. The total of the various factors D1, D2…etc. must add up to 100%.
R1t, R2t…… factors used).	=	Index figure obtained from new index (depends on the number of
R1o, R2o	=	Index figure at time of bidding.
VPt	=	15% of the original bid price. This portion of the bid price remains firm i.e., it is not subject to any price escalations.

3. The following index/indices must be used to calculate your bid price:

Index………. Dated………. Index………. Dated………. Index………. Dated……….

Index………. Dated………. Index………. Dated………. Index………. Dated……….

4. FURNISH A BREAKDOWN OF YOUR PRICE IN TERMS OF ABOVE-MENTIONED FORMULA. THE TOTAL OF THE VARIOUS FACTORS MUST ADD UP TO 100%.

FACTOR (D1, D2 etc. e.g., Labour, transport etc.)	*PERCENTAGE OF BID PRICE*

B PRICES SUBJECT TO RATE OF EXCHANGE VARIATIONS

1. Please furnish full particulars of your financial institution, state the currencies used in the conversion of the prices of the items to South African currency, which portion of the price is subject to rate of exchange variations and the amounts remitted abroad.

PARTICULARS OF FINANCIAL INSTITUTION	ITEM NO	PRICE	CURRENCY	RATE	PORTION OF PRICE SUBJECT TO ROE	AMOUNT IN FOREIGN CURRENCY REMITTED ABROAD
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		

2. Adjustments for rate of exchange variations during the contract period will be calculated by using the average monthly exchange rates as issued by your commercial bank for the periods indicated hereunder: (Proof from bank required)

AVERAGE MONTHLY EXCHANGE RATES FOR THE PERIOD:	DATE DOCUMENTATION MUST BE SUBMITTED TO THIS OFFICE	DATE FROM WHICH NEW CALCULATED PRICES WILL BECOME EFFECTIVE	DATE UNTIL WHICH NEW CALCULATED PRICE WILL BE EFFECTIVE

PRICING SCHEDULE
(Professional Services)

***NOTE*: Offer to be valid for 90 days from the closing date of bid.**

Name of Bidder: ______________________	*Bid Number:* **DEA&DP3/2026**
Closing Time: ***11h00am***	*Closing Date:* ***21 September 2026***

Item No.	DESCRIPTION	BID PRICE IN RSA CURRENCY NO. *(ALL APPLICABLE TAXES INCLUDED)	
1.	*The accompanying information must be used for the formulation of proposals.*	***R**______________________	
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.*		
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**__________	__________
	______________________	**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
	______________________	**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________

5.2 Other expenses, for example accommodation (specify, e.g. 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.

______________	________	________	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
[DELETE IF NOT APPLICABLE]

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.

____

____

____

____

SIGNATURE OF BIDDER : ______________________

NAME OF BIDDER (PRINT) : ______________________

DATE : ______________________

CAPACITY UNDER WHICH THE BID IS SIGNED : ______________________

TOTAL BID PRICE : ***R**______________________

PROVINCIAL GOVERNMENT WESTERN CAPE: DECLARATION OF INTERESTS, BIDDERS PAST SCM PRACTICES AND INDEPENDENT BID DETERMINATION

1. To give effect to the requirements of the Western Cape Provincial Treasury Instructions, 2019: Supply Chain Management (Goods and Services), Public Finance Manage Act (PFMA) Supply Chain Management (SCM) Instruction No. 3 of 2021/2022 - SBD 4 Declaration of Interest, Section 4 (1)(b)(iii) of the Competition Act No. 89 of 1998 as amended together with its associated regulations, the Prevention and Combating of Corrupt Activities Act No 12 of 2004 and regulations pertaining to the tender defaulters register, Paragraph 16A9 of the National Treasury Regulations and/or any other applicable legislation.

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

3. All prospective bidders intending to do business with the Institution must be registered on the Central Supplier Database (CSD) and the Western Cape Supplier Evidence Bank (WCSEB) if they wish to do business with the Western Cape Government (WCG)via the electronic Procurement Solution (EPS).

4. The status of enterprises and persons listed on the National Treasury's Register for Tender Defaulters will be housed on the ePS. Institutions may not under any circumstances procure from enterprises and persons listed on the Database of Tender Defaulters.

5. The status of suppliers listed on the National Treasury's Database of Restricted Suppliers will be housed on the ePS; however, it remains incumbent on institutions to check the National Treasury Database of Restricted Suppliers before the conclusion of any procurement process. For suppliers listed as restricted, institutions must apply due diligence and risk assessment before deciding to proceed with procurement from any such supplier.

6. **Definitions**

   "bid" means a bidder's response to an institution's invitation to participate in a procurement process which may include a bid, price quotation or proposal;

   "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 purchaserswho wish to acquire goods and/or services through a bidding process. Bid rigging is, therefore, an agreement between competitors;

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"**business interest**" means -

(a) a right or entitlement to share in profits, revenue, or assets of an entity;
(b) a real or personal right in property;
(c) a right to remuneration or any other private gain or benefit, or
(d) includes any interest contemplated in paragraphs (a), (b) or (c) acquired through an intermediary and any potential interest in terms of any of those paragraphs;

"Consortium or Joint Venture" 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;

"Controlling interest" means, the power, by one person or a group of persons holding the majority ofthe equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise;

"Corruption"- General offences of corruption are defined in the Combating of Corrupt ActivitiesAct, 2004 (Act No 12 of 2004) as:

Any person who directly or indirectly -

(a) accepts or agrees or offers to accept an!' gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person; or

(b) gives or agrees or offers to give to any other person any gratification, whether for the benefit of that other person or for the benefit of another person., in order to act personally or by influencinganother person so to act, in a manner—

(i) that amounts to the-
(aa) illegal. dishonest. unauthorised. incomplete. or biased: or
(bb) misuse or selling of information or material acquired in the course of the exercise,carrying out or performance of any powers, duties or functions arising out of a constitutional, statutory, contractual or any other legal obligation:

(ii) that amounts to-
(aa) the abuse of a position of authority;
(bb) a breach of trust; or

(cc) the violation of a legal duty or a set of rules;

(iii) designed to achieve an unjustified result; or

(iv) that amounts to any other unauthorised or improper inducement to do or 45 not to doanything. of the, is guilty of the offence of corruption.

"CSD" means the Central Supplier Database maintained by National Treasury;

"employee", in relation to –

(a) a department, means a person contemplated in section 8 of the Public Service Act, 1994 butexcludes a person appointed in terms of section 12A of that Act; and
(b) a public entity, means a person employed by the public entity;

"entity" means any -

(a) association of persons, whether or not incorporated or registered in terms of any law, includinga company, corporation, trust, partnership, close corporation, joint venture, or consortium; or
(b) sole proprietorship;

"entity conducting business with the Institution" means an entity that contracts or applies or tenders for the sale, lease or supply of goods or services to the Province;

"Family member" means a person's -

(a) spouse; or

(b) child, parent, brother, sister, whether such a relationship results from birth, marriage or adoption or some other legal arrangement (as the case may be);

"intermediary" means a person through whom an interest is acquired, and includes a representativeor agent or any other person who has been granted authority to act on behalf of another person;

"**Institution**" means –

a provincial department or provincial public entity listed in Schedule 3C of the Act;

"Provincial Government Western Cape (PGWC)" means

(a) the Institution of the Western Cape, and

(b) a provincial public entity;

"RWOEE" means -

Remunerative Work Outside of the Employee's Employment

"spouse" means a person's -

(a) partner in marriage or civil union according to legislation;

(b) partner in a customary union according to indigenous law; or

(c) partner with whom he or she cohabits and who is publicly acknowledged by the person as his orher life partner or permanent companion.

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Regulation 13(c) of the Public Service Regulations (PSR) 2016, effective 1 February 2017, prohibits any employee from conducting business with an organ of state, or holding a directorship in a public or private company doing business with an organ of state unless the employee is a director (in an official capacity) of a company listed in schedules 2 and 3 of the Public Finance Management Act.

a) Therefore, by 31 January 2017 all employees who are conducting business with an organ ofstate should either have:

(i) resigned as an employee of the government institution or;
(ii) cease conducting business with an organ of state or;
(iii) resign as a director/shareholder/owner/member of an entity that conducts business withan organ of state.

7. Any legal person, or their family members, may make an offer or offers in terms of this invitation to bid. In view of potential conflict of interest, in the event that the resulting bid, or part thereof, be awarded to family members of persons employed by an organ of state, 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 Institution.

8. The bid of any bidder may be disregarded if that bidder or any of its directors abused the institution's supply chain management system; committed fraud or any other improper conduct in relation to such system; disclosure is found not to be true and complete; or failed to perform on any previous contract.

9. 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). Collusive bidding is a per se prohibition meaning that it cannot be justified under any grounds.

10. 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 authorises 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'ssupply chain management system and or committed fraud or any other improper conduct inrelation to such system.

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

11. Communication between partners in a joint venture or consortium will not be construed as collusivebidding.

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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.

SECTION A: DETAILS OF THE ENTITY	
CSD Registration Number	*MAAA*
Name of the Entity	
Entity registration Number (where applicable)	
Entity Type	
Tax Reference Number	
Full details of directors, shareholder, member, partner, trustee, sole proprietor, or any persons having a controlling interest with a right or entitlement to share in profits, revenue or assets of the entity should be disclosed in the Table A below.	

TABLE A

FULL NAME	**DESIGNATION** *(Where a director is a shareholder, both should be confirmed)*	**IDENTITY NUMBER**	**PERSONAL TAX REFERENCE NO.**	**PERCENTAGE INTEREST IN THE ENTITY**

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SECTION B: DECLARATION OF THE BIDDER'S INTEREST *The supply chain management system of an institution must, irrespective of the procurement process followed, prohibit any award to an employee of the state, who either individually or as a director of a public or private company or a member of a close corporation, seek to conduct business with the WCG, unless such employee is in an official capacity a director of a company listed in Schedule 2 or 3 of the PFMA as prescribed by the Public Service Regulation 13(c).* *Furthermore, an employee employed by an organ of state conducting remunerative work outside of the employee's employment should first obtain the necessary approval by the delegated authority (RWOEE), failure to submit proof of such authority, where applicable, may result in disciplinary action.*			
B1.	Are any persons listed in Table A identified on the CSD as employees of an organ of state? ***(If yes, refer to Public Service Circular EIM 1/2016 to exercise the listed actions)***	NO	YES
B2.	Are any employees of the entity also employees of an organ of state? ***(If yes complete Table B and attach their approved "RWOEE")***	NO	YES
B3.	Are any family members of the persons listed in Table A employees of an organ of state? ***(If yes complete Table B)***	NO	YES

TABLE B
Details of persons (family members) connected to or employees of an organ of state should be disclosed in Table B below.

FULL NAME OF EMPLOYEE	**IDENTITY NUMBER**	**DEPARTMENT/ ENTITY OF EMPLOYMENT**	**DESIGNATION/ RELATIONSHIP TO BIDDER****	**INSTITUTION EMPLOYEE NO./ PERSAL NO.** (*Indicate if not known*)

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SECTION C: PERFORMANCE MANAGEMENT AND BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES To enable the prospective bidder to provide evidence of past and current performance.			
C1.	Did the entity conduct business with an organ of state in the last twelve months? **(If yes complete Table C)**	NO	YES

C2. TABLE C

Complete the below table to the maximum of the last 5 contracts.

NAME OF CONTRACTOR	PROVINCIAL DEPARTMENTOR PROVINCIAL ENTITY	TYPE OF SERVICES OR COMMODITY	CONTRACT/ ORDER NUMBER	PERIOD OF CONTRACT	VALUE OF CONTRACT

C3.	Is the entity or its principals listed on the National Database as companies or persons prohibited from doing business with the public sector?		NO	YES
C4.	Is the entity or its principals listed on the National Treasury Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No. 12 of 2004)? *(To access this Register enter the National Treasury's website, www.treasury.gov.za, click on the icon "Register forTender Defaulters" or submit your written request for a hard copy of the Register to facsimile number(012) 326 5445.)*		NO	YES
C5.	If yes to C3 or C4, were you informed in writing about the listing on the database of restricted suppliers or Register for Tender Defaulters by National Treasury?	NO	YES	N/A
C6.	Was the entity or persons listed in Table A convicted for fraud or corruption during the past fiveyears in a court of law (including a court outside the Republic of South Africa)?		NO	YES
C7.	Was any contract between the bidder and any organ of state terminated during the past fiveyears on account of failure to perform on or comply with the contract?		NO	YES

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31 May 2022

SECTION D: DULY AUTHORISED REPRESENTATIVE TO DEPOSE TO AFFIDAVIT *This form must be signed by a duly authorised representative of the entity in the presence of a commissioner of oaths.*

I, ... hereby swear/affirm;

i. that the information disclosed above is true and accurate;

ii. that I have read understand the content of the document;

iii. that I have arrived at the accompanying bid independently from, and without consultation, communication, agreement, or arrangement with any competitor.

iv. that the entity undertakes to independently arrive at any offer at any time to the Institution without any consultation, communication, agreement, or arrangement with any competitor. In addition, that there will be no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specification, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates;

v. that the entity or its representative are aware of and undertakes not to disclose the terms of any bid, formal or informal, directly, or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract; and

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

……………………………………………………………..

DULY AUTHORISED REPRESENTATIVE'S SIGNATURE

I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down his/her answers in his/her presence:

1.1 Do you know and understand the contents of the declaration? ANSWER: ……………………..………

1.2 Do you have any objection to taking the prescribed oath? ANSWER: ……………………..

1.3 Do you consider the prescribed oath to be binding on your conscience? ANSWER:……………..……

1.4 Do you want to make an affirmation? ANSWER: ……………………

2. I certify that the deponent has acknowledged that he/she knows and understands the contents of this declaration, which was sworn to/affirmed and the deponent's signature/thumbprint/mark was place thereon in my presence.

………………………………………………………………………………………..

SIGNATURE FULL NAMES Commissioner of Oaths

Designation (rank) ....ex officio: Republic of South Africa

Date:………………………………………………………………… Place ………………………………………………………………

Business Address: ……

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31 May 2022

Contractor to initial……………………………..

INTRODUCTION

The National Industrial Participation Programme (NIP), which is applicable to all government procurement contracts that have an imported content, became effective on 1 September 1996. The NIP policy and guidelines were fully endorsed by Cabinet on 30 April 1997. In terms of the Cabinet decision, all state and parastatal purchases/lease contracts (for goods, works and services) entered into after this date, are subject to the NIP requirements. NIP is obligatory and therefore must be complied with. The Industrial Participation Secretariat (IPS) of the Department of Trade and Industry (DTI) is charged with the responsibility of administering the programme.

1. **PILLARS OF THE PROGRAMME**

1.1 The NIP obligation is benchmarked on the imported content of the contract. Any contract having an imported content equal to, or exceeding, US$ 10 million or other currency equivalent to US$ 10 million, will have an NIP obligation. The threshold of US$ 10 million can be reached as follows:

(a) Any single contract with imported content exceeding US$ 10 million.

or

(b) Multiple contracts for the same goods, works or services, each with imported content exceeding US$ 3 million awarded to one seller over a 2-year period, which in total exceeds US$ 10 million.

or

(c) A contract with a renewable option clause where, should the option be exercised, the total value of the imported content will exceed US$ 10 million.

or

(d) Multiple suppliers of the same goods, works or services under the same contract, where the value of the imported content of each allocation is equal to, or exceeds, US$ 3 million worth of goods, works or services to the same government institution, which in total, over a 2-year period, exceeds US$ 10 million.

1.2 The NIP obligation applicable to suppliers in respect of sub-paragraphs 1.1(a) to 1.1(c) above will amount to 30% of the imported content, whilst suppliers in respect of paragraph 1.1(d) shall incur 30% of the total NIP obligation on a *pro rata* basis.

1.3 To satisfy the NIP obligation, the DTI would negotiate and conclude agreements such as investments, joint ventures, sub-contracting, licensee production, export promotion, sourcing arrangements and research and development (R & D) with partners or suppliers.

1.4 A period of 7 years has been identified as the timeframe within which to discharge the obligation.

2. **REQUIREMENTS OF THE DEPARTMENT OF TRADE AND INDUSTRY**

2.1 In order to ensure effective implementation of the programme, successful bidders (contractors) are required, immediately after the award of a contract that is in excess of R10 million (ten million Rands), to submit details of such a contract to the DTI for reporting purposes.

2.2 The purpose of reporting details of contracts in excess of the amount of R10 million is to cater for multiple contracts for the same goods, works or services, renewable contracts and multiple suppliers for the same goods, works or services under the same contract as provided for in the aforementioned sub-paragraphs 1.1(b) to 1.1(d).

3. **BID SUBMISSION AND CONTRACT REPORTING REQUIREMENTS OF BIDDERS AND SUCCESSFUL BIDDERS (CONTRACTORS)**

3.1 Bidders are required to sign and submit this WCBD5 document together with the bid on the closing date and time.

3.2 In order to accommodate multiple contracts for the same goods, works or services, renewable contracts and multiple suppliers for the same goods, works or services under the same contract as indicated in sub-paragraphs 1.1(b) to 1.1(d), and to enable the DTI in determining the NIP obligation, successful bidders (contractors) are required, immediately after being officially notified about any successful bid with a value in excess of R10 million, to contact and furnish the DTI with the following information:

- Bid/contract number.
- Description of goods, works or services.
- Name on which the contract was accepted.
- Name, address and contact details of the government institution.
- Value of the contract.
- Imported content of the contract, if possible.

3.3 The information required in paragraph 3.2 above must be sent to the Department of Trade and Industry, Private Bag X84, Pretoria, 0001 for the attention of Mr Elias Malapane within 5 (five) working days after award of the contract. Mr Malapane may be contacted on telephone (012) 394-1401, facsimile (012) 394-2401 or e-mail at emalapane@thedti.gov.za for further details about the programme.

4. **PROCESS TO SATISFY THE NIP OBLIGATION**

4.1 Once the successful bidder (contractor) has made contact and furnished the DTI with the information required, the following steps will be followed:

(a) the contractor and the DTI will determine the NIP obligation;
(b) the contractor and the DTI will sign the NIP obligation agreement;
(c) the contractor will submit a performance guarantee to the DTI;
(d) the contractor will submit a business concept for consideration and approval by the DTI;
(e) upon approval of the business concept by the DTI, the contractor will submit detailed business plans outlining the business concepts;
(f) the contractor will implement the business plans, and
(g) the contractor will submit bi-annual progress reports on approved plans to the DTI.

4.2 THE NIP obligation agreement is between the DTI and the successful bidder (contractor) and therefore does not involve the purchasing institution.

BID NUMBER: **DEA&DP3/2026** Closing date: **21 September 2026**

Name of bidder: ________________________________

Postal address: ________________________________

____

Signature: ____________________ Name in print: ____________________

Date: ____________________

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022 AND IN TERMS OF THE WESTERN CAPE GOVERNMENTS INTERIM STRATEGY AS IT RELATES TO PREFERENCE POINTS

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 (TENDERERS) MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER, PREFERENTIAL PROCUREMENT REGULATIONS, 2022 AND THE BROAD BASED BLACK ECONOMIC EMPOWERMENT ACT AND THE CODES OF GOOD PRACTICE

1. DEFINITIONS

1.1 **"acceptable tender**" means any tender which, in all respects, complies with the specifications and conditions of tender as set out in the tender document.

1.2 **"affidavit"** is a type of verified statement or showing, or in other words, it contains a verification, meaning it is under oath or penalty of perjury, and this serves as evidence to its veracity and is required for court proceedings.

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

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

1.5 **"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;

1.6 **"bid"** means a written offer on the official bid documents or invitation of price quotations and "tender" is the act of bidding /tendering;

1.7 **"Code of Good Practice"** means the generic codes or the sector codes as the case may be;

1.8 **"consortium or joint venture"** 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;

1.9 **"contract"** means the agreement that results from the acceptance of a bid by an organ of state;

1.10 **"EME"** is an Exempted Micro Enterprise with an annual total revenue of R10 million or less.

1.11 **"Firm price"** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract**;**

1.12 **“Large Enterprise”** is any enterprise with an annual total revenue above R50 million;

1.13 **“non-firm prices”** means all prices other than “firm” prices;

1.14 **“person”** includes a juristic person;

1.15 **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;

1.16 **“proof of B-BBEE status level contributor”** means-

(a) The B-BBEE status level certificate issued by an authorized body or person;
(b) A sworn affidavit as prescribed in terms of the B-BBEE Codes of Good Practice; or
(c) Any other requirement prescribed in terms of the Broad- Based Black Economic Empowerment Act.

1.17 **QSE** is a Qualifying Small Enterprise with an annual total revenue between R10 million and R50 million;

1.18 **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

1.19 **“sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract.

1.20 **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide or services through price quotations, competitive tendering process or any other method envisaged in legislation;

1.21 **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions;

1.22 **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);

1.23 **“the Regulations”** means the Preferential Procurement Regulations, 2022;

1.24 **“total revenue”** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the Government Gazette on 11 October 2013;

1.25 **“trust”** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and

1.26 **“trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

2. GENERAL CONDITIONS

2.1 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).

2.2 Preference point system for this bid:

(a) The value of this bid is estimated to exceed/not 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

2.3 Preference points for this bid (even in the case of a tender for income-generating contracts) shall be awarded for:
(a) Price; and
(b) B-BBEE Status Level of Contribution.

2.4 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**

2.5 Failure on the part of a bidder to fill in, sign this form and submit in the circumstances prescribed in the Codes of Good Practice either a B-BBEE Verification Certificate issued by a Verification Agency accredited by the South African Accreditation System (SANAS) or an affidavit confirming annual total revenue and level of black ownership together with the bid or an affidavit issued by Companies Intellectual Property Commission, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

2.6 The organ of state 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.

3. ADJUDICATION USING A POINT SYSTEM

3.1 Subject to Section 2 (1) (f) of the Preferential Procurement Policy Framework Act, 2000, **the bidder obtaining the highest number of total points will be awarded the contract.**

3.2 A tenderer must submit proof of its B-BBEE status level of contributor in order to claim points for B-BBEE.

3.3 A tenderer failing to submit proof of B-BBEE status level of contributor or is a non-compliant contributor to B-BBEE will not be disqualified but will only score:

(a) points out of 80 for price; and
(b) 0 points out of 20 for B-BBEE

3.4 Points scored must be rounded off to the nearest 2 decimal places.

3.5 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.

3.6 As per section 2 (1) (f) of the Preferential Procurement Policy Framework Act, 2000, the contract may be awarded to a bidder other than the one scoring the highest number of total points based on objective criteria in addition to those contemplated in paragraph (d) and (e) of the Act that justifies the award to another tenderer provided that it has been stipulated upfront in the tendering conditions.

3.7 Should two or more bids be equal in all respects; the award shall be decided by the drawing of lots.

4. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

4.1 POINTS AWARDED FOR PRICE

4.1.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEM

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

80/20 or 90/10

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

Where:

Ps = Points scored for price of bid under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

5. FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

5.1 POINTS AWARDED FOR PRICE

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

80/20 **or** **90/10**

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmax = Price of highest acceptable tender

6. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTION

6.1 In terms of WCG interim strategy, 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

6.2 An **EME** must submit a valid, originally certified affidavit confirming annual turnover and level of black ownership or an affidavit issued by Companies Intellectual Property Commission

6.3 A **QSE that is less than 51% (50% or less) black owned** must be verified in terms of the QSE scorecard issued via Government Gazette and submit a valid, original or a legible certified copy of a B-BBEE Verification Certificate issued by SANAS.

6.4 A **QSE that is at least 51% black owned (51% or higher)** must submit a valid, originally certified affidavit confirming turnover and level of black ownership as well as declare its empowering status or an affidavit issued by Companies Intellectual Property Commission.

6.5 A **large enterprise** must submit a valid, original, or originally certified copy of a B-BBEE Verification Certificate issued by a verification agency accredited by SANAS.

6.6 A trust, consortium, or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.

6.7 A trust, consortium, or joint venture (including unincorporated consortia and joint ventures) must submit a consolidated B-BBEE status level verification certificate for every separate tender.

6.8 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.

7. BID DECLARATION

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

8. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPH 5

8.1 B-BBEE Status Level of Contribution …………………….= ………………………. **(maximum of 20 points)**

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or an affidavit confirming annual total revenue and level of black ownership in terms of the relevant sector code applicable to the tender.

9. SUB-CONTRACTING

9.1 Will any portion of the contract be sub-contracted? **YES / NO (delete which is not applicable)**

9.1.1 If yes, indicate:

(i) what percentage of the contract will be subcontracted? ……………………………………%

(ii) the name of the sub-contractor? ……………………………………………………………..

(iii) the B-BBEE status level of the sub-contractor? ……………..

(iv) whether the sub-contractor is an EME or QSE? **YES / NO** (delete which is not applicable)

9.1.2 Sub-contracting relates to a particular contract and if sub-contracting is applicable, the bidder to state in their response to a particular RFQ that a portion of that contract will be sub-contracted.

10. DECLARATION WITH REGARD TO COMPANY/FIRM

10.1 Name of company/ entity: ……………………………………………………………..

10.2 VAT registration number: ..…………………………………………………………….

10.3 Company Registration number:……………………………………………………………..

10.4 TYPE OF COMPANY/ FIRM

□ Partnership/ Joint Venture/ Consortium

□ One-person business/ sole propriety

□ Close corporation

□ Public Company

□ Personal Liability Company

□ (Pty) Limited

□ Non-Profit Company

Contractor to initial……………………………..

□ State Owned Company

[SELECT APPLICABLE ONE]

10.5 **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-BBEE status level of contribution indicated in paragraph 7 above, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:**

(a) The Western Cape Government reserves the right to audit the B-BBEE status claim submitted by the bidder.

(b) As set out in Section 13O of the B-BBEE Act as amended, any misrepresentation constitutes a criminal offence. A person commits an offence if that person knowingly:

(i) misrepresents or attempts to misrepresent the B-BBEE status of an enterprise;

(ii) provides false information or misrepresents information to a B-BBEE Verification Professional in order to secure a particular B-BBEE status or any benefit associated with compliance to the B-BBEE Act;

(iii) provides false information or misrepresents information relevant to assessing the B-BBEE status of an enterprise to any organ of state or public entity; or

(iv) engages in a fronting practice.

(c) If a B-BBEE verification professional or any procurement officer or other official of an organ of state or public entity becomes aware of the commission of, or any attempt to commit any offence referred to in paragraph 9.1 (a) above will be reported to an appropriate law enforcement agency for investigation.

(d) Any person convicted of an offence by a court is liable in the case of contravention of 9.4 (b) to a fine or to imprisonment for a period not exceeding 10 years or to both a fine and such imprisonment or, if the convicted person is not a natural person, to a fine not exceeding 10% of its annual turnover.

(e) The purchaser may, if it becomes aware that a bidder may have obtained its B-BBEE status level of contribution on a fraudulent basis, investigate the matter. Should the investigation warrant a restriction be imposed, this will be referred to the National Treasury for investigation, processing and imposing the restriction on the National Treasury's List of Restricted Suppliers. The bidder or contractor, its shareholders, and directors, or only the shareholders and directors who acted on a fraudulent basis, may be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the audi alteram partem (hear the other side) rule has been applied.

(f) The purchaser may, in addition to any other remedy it may have –

(i) disqualify the person from the bidding process;

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

(ii) 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; and

(iii) forward the matter for criminal prosecution.

(g) The information furnished is true and correct.

(h) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 2 of this form.

SIGNATURE(S) OF THE BIDDER(S): ……………………………………………………………………

DATE: ……………………………………………………………………………………………………

ADDRESS: ……………………………………………………………………………………………

………

WITNESSES:

1. ………………………………………

2. ………………………………………

1 I, the undersigned

Full name and surname	
Identity number	

2. Hereby declare under oath as follows:
(i) The contents of this statement are to the best of my knowledge a true reflection of the facts.
(ii) I am a member/director/owner of the following enterprise and am duly authorized to act on its behalf:

Enterprise name	
Trading name	
Registration number	
Enterprise address	

3. I hereby declare under oath that:
- The enterprise is ________________ % Black owned;
- The enterprise is ________________ % Black woman owned;
- Based on management accounts and other information available for the ________________ financial year, the income did not exceed R50 000, 000.00 (fifty million Rands)
- The entity is an Empowering Supplier in terms of Clause 3.3 (a) or (b) or (c) or (d) r I as amended (select one) __________ of **the dti** Codes of Good Practice.
- Please confirm in the table below the B-BBEE contributor **by ticking the applicable box.**

100% Black owned		**Level One** (135% B-BBEE procurement recognition)	
More than 51% Black owned		**Level Two** (125% B-BBEE procurement recognition)	
a) At least 25% of cost of sales (excluding labour costs and depreciation) must be procurement from local producers or suppliers in South Africa; For the service industry, include labour costs capped at 15%.		b) At least 50% of jobs created are for Black people, provided that the number of Black employees in the B-BBEE measurement verified immediately before is maintained.	
c) At least 25% transformation of raw material/beneficiation, which includes local manufacturing, production and/or assembly, and/or packaging.		d) At least 12 days per annum of productivity deployed in assisting QSE end EME beneficiaries to increase their operational or financial capacity.	
e) At least 85% of labour costs should be paid to South African employees by service industry entities.			

4. I know and understand the content of this affidavit, I have no objection to taking the prescribed oath, I consider the oath binding on my conscience and not on the owners of the enterprise which I represent in this matter.
5.The sworn affidavit will be valid for a period of 12 months from the date of signature by the commissioner.

Deponent signature: ______________________________

Date: ______________________________

____
Commissioner of Oaths signature & stamp

Contractor to initial……………………………..

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 about 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

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 anything 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.

1.17 "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.

1.3 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 (17) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

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

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

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

16. Payment

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

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

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

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

17. Prices

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

17. Contract amendments

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

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier's performance

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

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

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

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

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

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling 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 wilful 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.