



63 Wierda Road, East, Sandton

YOU ARE HEREBY INVITED TO SUBMIT YOUR PROPOSAL TO PROPERTY PRACTITIONERS REGULATORY AUTHORITY FOR THE SERVICES ON THE ATTACHED BID DOCUMENT.

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**BID NUMBER:** PPRA 07/2024      **CLOSING DATE:** 18 DECEMBER 2024      **CLOSING TIME:** 12:00PM

**DESCRIPTION:** APPOINTMENT OF A SERVICE PROVIDER FOR PROVISIONING OF GROUP INTERNAL AUDIT SERVICES FOR A PERIOD OF THREE (3) YEARS FOR THE PROPERTY PRACTITIONERS REGULATORY AUTHORITY

**COMPULSORY BRIEFING SESSION:**

**PLACE:** MS TEAMS LINK: [Join the meeting now](#)

**DATE:** 10 DECEMBER 2024

**TIME:** 11:00 AM

**NB//BIDS RECEIVED AFTER THE CLOSING DATE AND TIME WILL NOT BE ACCEPTED FOR CONSIDERATION.**

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1. Attached please find :

|     |                                               |              |
|-----|-----------------------------------------------|--------------|
| 1.1 | Cover Letter .....                            | Page 1       |
| 1.2 | Invitation to Bid (SBD 1).....                | Page 2 - 3   |
| 1.3 | Condition to Bid.....                         | Page 4 -17   |
| 1.4 | Term of References.....                       | Page 18 – 35 |
| 1.5 | Pricing Schedule.....                         | Page 29 - 30 |
| 1.6 | Bidders Disclosure (SBD 4).....               | Page 36 - 38 |
| 1.7 | Preferential Points Claim Form (SBD 6.1)..... | Page 39 - 43 |
| 1.8 | General Conditions of Contract (GCC).....     | Page 44 - 56 |
| 1.9 | Pricing Schedule (Annexure A) .....           | Page 57 - 60 |

- The attached forms must be completed in detail and returned with your bid. Failure to comply may disqualify your proposal. Each bid document must be submitted in a separate sealed envelope stipulating the following information: Name and Address of the bidder, Bid number and closing date of bid.
- Bid documents must be deposited into the bid box at the **Property Practitioner Regulatory Authority, Block B, 63 Wierda Road, East Sandton.**
- Bids which are not inside tender/Bid box on the closing date and time will not be considered.

Yours Faithfully

**MR. V. TSHIVULE**  
**MANAGER: SUPPLY CHAIN MANAGEMENT**  
**DATE: 26 NOVEMBER 2024**

**PART A**  
**INVITATION TO BID**

|                                                                                                                                                                      |                                                                                                                                                                                |                                                                                    |                                                                                   |               |                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|---------------|--------------------------------------------------------------------------------------------|
| <b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE PROPERTY PRACTITIONER REGULATORY AUTHORITY</b>                                                              |                                                                                                                                                                                |                                                                                    |                                                                                   |               |                                                                                            |
| BID NUMBER:                                                                                                                                                          | PPRA 07/2024                                                                                                                                                                   | CLOSING DATE:                                                                      | 18 DECEMBER 2024                                                                  | CLOSING TIME: | 12:00PM                                                                                    |
| DESCRIPTION                                                                                                                                                          | <b>APPOINTMENT OF A SERVICE PROVIDER FOR PROVISIONING OF GROUP INTERNAL AUDIT SERVICES FOR A PERIOD OF THREE (3) YEARS FOR THE PROPERTY PRACTITIONERS REGULATORY AUTHORITY</b> |                                                                                    |                                                                                   |               |                                                                                            |
| <b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</b>                                                                    |                                                                                                                                                                                |                                                                                    |                                                                                   |               |                                                                                            |
| BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT<br>(STREET ADDRESS)                                                                               |                                                                                                                                                                                |                                                                                    |                                                                                   |               |                                                                                            |
| <b>PROPERTY PRACTITIONER REGULATORY AUTHORITY</b>                                                                                                                    |                                                                                                                                                                                |                                                                                    |                                                                                   |               |                                                                                            |
| <b>BLOCK B</b>                                                                                                                                                       |                                                                                                                                                                                |                                                                                    |                                                                                   |               |                                                                                            |
| <b>63 WIERDA ROAD, EAST</b>                                                                                                                                          |                                                                                                                                                                                |                                                                                    |                                                                                   |               |                                                                                            |
| <b>SANDTON</b>                                                                                                                                                       |                                                                                                                                                                                |                                                                                    |                                                                                   |               |                                                                                            |
| <b>SUPPLIER INFORMATION</b>                                                                                                                                          |                                                                                                                                                                                |                                                                                    |                                                                                   |               |                                                                                            |
| NAME OF BIDDER                                                                                                                                                       |                                                                                                                                                                                |                                                                                    |                                                                                   |               |                                                                                            |
| POSTAL ADDRESS                                                                                                                                                       |                                                                                                                                                                                |                                                                                    |                                                                                   |               |                                                                                            |
| STREET ADDRESS                                                                                                                                                       |                                                                                                                                                                                |                                                                                    |                                                                                   |               |                                                                                            |
| TELEPHONE NUMBER                                                                                                                                                     | CODE                                                                                                                                                                           |                                                                                    | NUMBER                                                                            |               |                                                                                            |
| CELLPHONE NUMBER                                                                                                                                                     |                                                                                                                                                                                |                                                                                    |                                                                                   |               |                                                                                            |
| FACSIMILE NUMBER                                                                                                                                                     | CODE                                                                                                                                                                           |                                                                                    | NUMBER                                                                            |               |                                                                                            |
| E-MAIL ADDRESS                                                                                                                                                       |                                                                                                                                                                                |                                                                                    |                                                                                   |               |                                                                                            |
| VAT REGISTRATION NUMBER                                                                                                                                              |                                                                                                                                                                                |                                                                                    |                                                                                   |               |                                                                                            |
|                                                                                                                                                                      | TCS PIN:                                                                                                                                                                       |                                                                                    | OR                                                                                | CSD No:       |                                                                                            |
| B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE<br>[TICK APPLICABLE BOX]                                                                                                | <input type="checkbox"/> Yes<br><br><input type="checkbox"/> No                                                                                                                |                                                                                    | B-BBEE STATUS LEVEL<br>SWORN AFFIDAVIT                                            |               | <input type="checkbox"/> Yes<br><br><input type="checkbox"/> No                            |
| IF YES, WHO WAS THE CERTIFICATE ISSUED BY?                                                                                                                           |                                                                                                                                                                                |                                                                                    |                                                                                   |               |                                                                                            |
| AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA) AND NAME THE APPLICABLE IN THE TICK BOX                                                     | <input type="checkbox"/>                                                                                                                                                       | AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)           |                                                                                   |               |                                                                                            |
|                                                                                                                                                                      | <input type="checkbox"/>                                                                                                                                                       | A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS) |                                                                                   |               |                                                                                            |
|                                                                                                                                                                      | <input type="checkbox"/>                                                                                                                                                       | A REGISTERED AUDITOR                                                               |                                                                                   |               |                                                                                            |
|                                                                                                                                                                      | NAME:                                                                                                                                                                          |                                                                                    |                                                                                   |               |                                                                                            |
| <b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT (FOR EMEs &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b> |                                                                                                                                                                                |                                                                                    |                                                                                   |               |                                                                                            |
| ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?                                                                        | <input type="checkbox"/> Yes <input type="checkbox"/> No<br>[IF YES ENCLOSE PROOF]                                                                                             |                                                                                    | ARE YOU A FOREIGN BASED<br>SUPPLIER FOR THE GOODS<br>/SERVICES /WORKS<br>OFFERED? |               | <input type="checkbox"/> Yes <input type="checkbox"/> No<br>[IF YES ANSWER PART B:3 BELOW] |
| SIGNATURE OF BIDDER                                                                                                                                                  | .....                                                                                                                                                                          |                                                                                    | DATE                                                                              |               |                                                                                            |
| CAPACITY UNDER WHICH THIS BID IS SIGNED<br>(Attach proof of authority to sign this bid; e.g. resolution of directors, etc.)                                          |                                                                                                                                                                                |                                                                                    |                                                                                   |               |                                                                                            |
| TOTAL NUMBER OF ITEMS OFFERED                                                                                                                                        |                                                                                                                                                                                |                                                                                    | TOTAL BID PRICE (ALL INCLUSIVE)                                                   |               |                                                                                            |
| <b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>                                                                                                               |                                                                                                                                                                                |                                                                                    | <b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>                                  |               |                                                                                            |
| DEPARTMENT/ PUBLIC ENTITY                                                                                                                                            |                                                                                                                                                                                |                                                                                    | CONTACT PERSON                                                                    |               |                                                                                            |
| CONTACT PERSON                                                                                                                                                       |                                                                                                                                                                                |                                                                                    | TELEPHONE NUMBER                                                                  |               |                                                                                            |
| TELEPHONE NUMBER                                                                                                                                                     |                                                                                                                                                                                |                                                                                    | FACSIMILE NUMBER                                                                  |               |                                                                                            |
| FACSIMILE NUMBER                                                                                                                                                     |                                                                                                                                                                                |                                                                                    | E-MAIL ADDRESS                                                                    |               |                                                                                            |
| E-MAIL ADDRESS                                                                                                                                                       |                                                                                                                                                                                |                                                                                    |                                                                                   |               |                                                                                            |

**PART B**  
**TERMS AND CONDITIONS FOR BIDDING**

|                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1.</b>                                                                                                                                                                                                                                     | <b>BID SUBMISSION:</b>                                                                                                                                                                                                                                                                                                                         |
| 1.1.                                                                                                                                                                                                                                          | BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.                                                                                                                                                                                                                        |
| 1.2.                                                                                                                                                                                                                                          | ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE                                                                                                                                                                                                                                                       |
| 1.3.                                                                                                                                                                                                                                          | BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: ( BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION. |
| 1.4.                                                                                                                                                                                                                                          | WHERE A BIDDER IS NOT REGISTERED ON THE CSD, MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS MAY NOT BE SUBMITTED WITH THE BID DOCUMENTATION. B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.                                |
| 1.5.                                                                                                                                                                                                                                          | THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER LEGISLATION OR SPECIAL CONDITIONS OF CONTRACT.                                                                                        |
| <b>2.</b>                                                                                                                                                                                                                                     | <b>TAX COMPLIANCE REQUIREMENTS</b>                                                                                                                                                                                                                                                                                                             |
| 2.1                                                                                                                                                                                                                                           | BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.                                                                                                                                                                                                                                                                                     |
| 2.2                                                                                                                                                                                                                                           | BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.                                                                                                                                                                    |
| 2.3                                                                                                                                                                                                                                           | APPLICATION FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.                                                                                                                                   |
| 2.4                                                                                                                                                                                                                                           | BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.                                                                                                                                                                                                                                                                                   |
| 2.5                                                                                                                                                                                                                                           | IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.                                                                                                                                                                                                    |
| 2.6                                                                                                                                                                                                                                           | WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.                                                                                                                                                                                                                  |
| <b>3.</b>                                                                                                                                                                                                                                     | <b>QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>                                                                                                                                                                                                                                                                                              |
| 3.1.                                                                                                                                                                                                                                          | IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>                                                                                                                                                                                    |
| 3.2.                                                                                                                                                                                                                                          | DOES THE BIDDER HAVE A BRANCH IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>                                                                                                                                                                                                          |
| 3.3.                                                                                                                                                                                                                                          | DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>                                                                                                                                                                                         |
| 3.4.                                                                                                                                                                                                                                          | DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>                                                                                                                                                                                              |
| <p><b>IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO OBTAIN A TAX COMPLIANCE STATUS / TAX COMPLIANCE SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.</b></p> |                                                                                                                                                                                                                                                                                                                                                |

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

## **Conditions of Bid**

**(NB: Only PPRA conditions provided in this document will be applicable, no bidders' conditions will be considered/accepted)**

### **1. BACKGROUND AND INTRODUCTORY PROVISIONS**

- 1.1 Property Practitioners Regulatory Authority seeks to appoint a service provider for provisioning of Group Internal Audit Services for a period of three (3) years for the Property Practitioners Regulatory Authority and its subsidiaries.

### **2. OFFER AND CONDITIONS OF BIDS**

- 2.1 Bidders must submit a completed and signed Invitation to Bid form (SBD1) and required bid forms attached with its bid/quotation. Bidders must take careful note of the conditions of the bid.
- 2.2 All bids submitted in reply to this invitation to bid should incorporate all the forms, parts, certificates and other documentation forming part of this invitation to bid, duly completed and signed where required (failure to submit complete document will lead to disqualification).

### **4. CLOSING DATE AND TIME OF BIDS AND PROVISIONS RELATING TO SUBMISSION OF BIDS**

- 4.1 The closing date and time for the receipt of bids in response to this invitation to bid is detailed on the cover page of this invitation to bid.
- 4.2 All bids must be submitted in a sealed envelope bearing the bid/quotation number, bid description and closing date.
- 4.3 All bids must be deposited in the bid box before the closing time and date stipulated above, at the address detailed on the cover page of this invitation to bid.
- 4.4 Bid box is accessible during working days from 07:30 to 16:30

### **5. BRIEFING SESSION**

- 5.1 There will be a compulsory briefing session. It will be held via **MS TEAMS the link is provided in this document and on the 10 DECEMBER 2024 at 11:00 am** to clarify to bidder(s) the scope and extent of work to be executed.

## 6. ENQUIRIES

- 6.1 Should any bidder have any enquiries relating to this invitation to bid, such enquiries may only be addressed to the person/s detailed as mentioned below.

| Enquiry     | Name                | Contact Details                               |
|-------------|---------------------|-----------------------------------------------|
| Bid related | Mr. Vusani Tshivule | Email: Vusani.Tshivule@theppra.org.za<br>Tel: |
| Technical   | SCM                 | Email: SCM@theppra.org.za                     |

## 6. PRICING

- 6.1 The bidder(s) must submit details regarding the bid/quotation price for the items on the pricing schedule as attached, and of which completed pricing schedule must be submitted together with the bid/quotation documents.
- 6.2 Pricing must be stipulated inclusive of Value Added Tax (VAT) if VAT registered.
- 6.3 It is mandatory that bidders provide their total bid price on Invitation to bid form (SBD1) and on SBD 3.3 (for evaluation purposes) as these are the only forms provided by the Property Practitioners Regulatory Authority to bidders to provide their prices. NB: Only prices provided in these forms will be considered by the Property Practitioners Regulatory Authority, bidders may attach their price breakdown, but the total price should not be different from the price provided in SBD 1 and SBD 3.3.

**NB: THE TOTAL BID PRICE REFERRED TO, IT'S THE TOTAL PRICE FOR ALL ITEMS THAT BIDDERS ARE REQUIRED TO QUOTE FOR INCLUSIVE OF VAT.**

## 7. TAX COMPLIANT

- 7.1 PPRA will verify bidders Tax Compliant Status on CSD and/or through E-filing using a PIN issued by SARS, if the bidder is found to be non-compliant during the time of award, will be afforded (7) working days to rectify their TCS, Failure to provide written proof of tax status remediation, within seven (7) working days of notification, will result in the rejection of the bid submitted by the Bidder.

## 8. BIDDERS DISCLOSURE

- 8.1 The bidder should submit a duly completed and signed Bidders Disclosure (SBD 4) together with the bid. The Bidders Disclosure form is attached with bid documentation.

**9. PREFERENTIAL POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS OF 2022.**

- 9.1 The bidder must complete the preferential points claim form (SBD 6.1) and sign accordingly to submit with the bid. The preferential points claim form is attached with bid documentation.

**10. VALIDITY**

- 10.1 Bid documentation submitted by the bidder will be valid and open for acceptance for a period of (120) calendar days from the closing date and time stipulated on the front cover of this invitation to bid.

**11. ACCEPTANCE OF BIDS**

- 11.1 Receipt of the invitation to bid does not confer any right on any party in respect of the Services or in respect of or against the PPRA. The PPRA reserves the right, in its sole discretion, to withdraw by notice to bidders any Services or combination of Services from the bid process, to terminate any party's participation in the bid process or to accept or reject any response to this invitation to bid on notice to the bidders without liability to any party. Accordingly, parties have no rights, expressed or implied, with respect to any of the Services as a result of their participation in the bid process.
- 11.2 The PPRA, nor any of their respective directors, officers, employees, agents, representatives or advisors will assume any obligations for any costs or expenses incurred by any party in or associated with any appraisal and/or investigation relating to this invitation to bid or the subsequent submission of a bid in response to this invitation to bid in respect of the Services or any other costs, expenses or liabilities of whatsoever nature and howsoever incurred by bidders in connection with or arising out of the bid process.

**12. FORMAL CONTRACT**

- 12.1. Successful bidder (s) will be required to enter a formal contract with the Property Practitioners Regulatory Authority.

- 12.2. The terms of reference together with the proposal made by the successful service provider (s), the acceptance thereof by the PPRA and the SLA concluded by and between the Entity and the successful service provider (s) shall constitute the formal agreement between the parties. No amendment to this agreement, variation, waiver, relaxation or suspension of any of the provisions thereof shall have any force or effect, unless reduced to writing and signed by both parties.
- 12.3. Awarding of the contract will be subject to the Service Provider's expressing acceptance of the General Conditions of Contract and Special Condition of Contract.
- 12.4. The Entity reserves the right to terminate the contract in the event that there is clear evidence of non-performance, by the Supplier (s).
- 12.5. This bid document is not an offer to purchase any services or materials, and the Property Practitioners Regulatory Authority will not incur or be liable for any costs associated with the preparation of this quotation.

### **13. METHOD OF PAYMENT**

- 13.1 The supplier shall furnish the Entity with an invoice upon fulfilment of the order obligation as stipulated in the contract.
- 13.2 Payment shall be made promptly by the Entity, but in no case later than thirty (30) days after the submission of an invoice or claim by the supplier.
- 13.3 Payment will be made in Rand unless otherwise stipulated in Special Conditions of Contract.

### **14. NON-DISCLOSURE, CONFIDENTIALITY AND SECURITY**

- 14.1 The invitation to bid and its contents are made available on condition that they are used in connection with the bid process set out in the invitation to bid and for no other purpose. All information pertaining to this invitation to bid and its contents shall be regarded as restricted and divulged on a "need to know" basis with the approval of the PPRA.
- 14.2 In the event that the bidder is appointed pursuant to this invitation to bid such bidder may be subject to security clearance prior to commencement of the Services.

### **15. ACCURACY OF INFORMATION**

- 15.1. The information contained in the invitation to bid has been prepared in good faith. The PPRA nor any of their respective directors, advisors, officers, employees, agents, representatives make any representation or warranty or give any undertaking express

or implied, or accept any responsibility or liability whatsoever, as to the contents, accuracy or completeness of the information contained in the invitation to bid, or any other written or oral information made available in connection with the bid and nothing contained herein is, or shall be relied upon as a promise or representation, whether as to the past or the future.

- 15.2 This invitation to bid may not contain all the information that may be required to evaluate a possible submission of a response to this invitation to bid. The bidder should conduct its own independent analysis of the operations to the extent required to enable it to respond to this bid.

## **16. COMPETITION**

- 16.1 Bidders and their respective officers, employees and agents are prohibited from in any collusive action with respect to the bidding process which serves to limit competition amongst bidders.
- 16.2. In general, the attention of bidders is drawn to Section 4(1) (iii) of the Competition Act 1998 (Act No. 89 of 1998) (the Competition Act) that prohibits collusive bidding.
- 16.3. If bidders have reason to believe that competition issues may arise from any submission of a response to this bid invitation they are encouraged to discuss them position with the competition authorities before submitting a response.
- 16.4. Any correspondence or process of any kind between bidders and the competition authorities must be documented in the responses to this invitation to bid.

## **17. RESERVATION OF RIGHTS**

- 17.1 Without limitation to any other rights of the PPRA (whether otherwise reserved in this invitation to bid or under law), the PPRA expressly reserves the rights to disqualify any bidder which does not comply with any one or more of the required pieces of information as indicated below:
- 17.1.1 If the bidder/s submit their bids without all the data and information requested.
- 17.1.2 Bidders that did not submit mandatory documents stipulated in the bid document.
- 17.1.3 Proposal that fails to comply with the specification.
- 17.1.4 Proposal that contains any information that is found to be incorrect or misleading in anyway or Bidders who submit information that is fraudulent, factually untrue, or inaccurate information.

17.1.5 Bidders who submit incomplete information and documentation according to the requirements of this bid document.

17.1.6 Bidders who receive information not available to other potential bidders through fraudulent means.

17.2 PPRA further reserves the right to:

17.2.1 Not to award or cancel this bid at any time.

17.2.2 To negotiate with one or more Preferred or Reserved Bidders identified in the evaluation process, regarding any terms and conditions, including price without offering the same opportunity to any other Bidder who has not been awarded the status of the Preferred or Reserved Bidder.

17.2.3 To award in part or in full.

17.2.4 To award this bid to one or more bidders.

17.2.5 be available at a competitive price than the contracted price, PPRA will request the current bidder to reduce their price to be inline failing which; these will be purchase out of contract.

17.2.6 To cancel and/or terminate the bid process at any stage, including after the Closing Date and/or after presentations have been made, and/or after bids have been evaluated and/or after the Preferred Bidders have been notified of their status as such.

17.2.7 To carry out explanatory meetings in order to verify the nature and quality of the services bided for, whether before or after adjudication of the bid at bidder's corporate offices and / or at PPRA sites if so required.

17.2.8 To award the contract to a Bidder whose bid was not the lowest in price.

17.2.9 To award the bid to a Bidder who is not the highest scoring Bidder.

17.2.10 To correct any mistakes at any stage of the bid that may have been in the bid documents or occurred at any stage of the bid process.

17.2.11 To amend any bid conditions, bid validity period, bid terms of references, or extend the bid closing date, all before the bid closing date. All bidders, to whom the bid documents have been issued and where the PPRA have record of such bidders, may be advised in writing of such amendments in good time and any such changes will also be posted on the PPRA's website under the relevant tender information. All prospective bidders should therefore ensure that they visit the website

regularly and before they submit their bid response to ensure that they are kept updated on any amendments in this regard.

17.2.12 Not to accept the lowest priced bid or any bid in part or in whole. It normally awards the contract to the bidder who proves to be fully capable of handling the contract and whose bid is functionally acceptable and/or financially advantageous to the PPRA.

17.2.13 To request all relevant information, agreements, and other documents to verify information supplied in the bid response.

17.2.14 To conduct background checks, including FICA verification, on the bidding entity and any of its directors / trustees / shareholders / members.

## **18. PRE – QUALIFICATION/ ADMINISTRATIVE REQUIREMENTS**

- 18.1 Bid Document - All pages must be completed and signed (where signature is applicable) by the Bidder
- 18.2 Invitation to bid must be Completed and signed (SBD 1)
- 18.3 Bidders' Disclosure must be fully completed and signed (SBD 4)
- 18.4 The bidder must ensure that their company is registered on CSD (attach the CSD report with the bid document or provide bidder CSD registration number).
- 18.5 Bidders must submit their SARS TCS PIN number and CSD Supplier number with their bid so that the bidder's Tax Compliance Status can be verified.

**FAILURE TO COMPLY WITH THE ABOVE-MENTIONED PRE-QUALIFICATION INSTRUCTIONS WILL LEAD TO DISQUALIFICATION.**

## **19. COMPLETION OF BIDDING FORMS**

- 19.1 Under no circumstances whatsoever may the bid forms be retyped or redrafted. Photocopies of the original bid documentation may be used, but an original signature must appear on such photocopies.
- 19.2 The bidder is advised to check the number of pages and to satisfy himself that none are missing or duplicated. Bids submitted must be complete in all respects.
- 19.3 Bids shall be lodged at the address indicated not later than the closing time and date specified for their receipt, and in accordance with the directives in the bid documents.

- 19.4 Each bid shall be addressed in accordance with the directives in the bid documents and shall be lodged in a separate sealed envelope, with the name and address of the bidder, the bid number and closing date indicated on the envelope. The envelope shall not contain documents relating to any bid other than that shown on the envelope. If this provision is not complied with, such bids may be rejected as being invalid.
- 19.5 All bids received in sealed envelopes with the relevant bid numbers on the envelopes are kept unopened in safe custody until the closing time and date of the bids. Where, however, a bid is received open, it shall be sealed. If it is received without a bid number on the envelope, it shall be opened, to ascertained bid number.
- 19.6 A specific box is provided for the receipt of bids, and no bid found in any other box or elsewhere subsequent to the closing date and time of bid will be considered.
- 19.7 No bid sent through the post will be considered if it is received after the closing date and time stipulated in the bid document, and proof of posting will not be accepted as proof of delivery.
- 19.8 No bid submitted by telefax, telegraphic or other electronic means will be considered.
- 19.9 Any alteration made by the bidder must be initialled.
- 19.10 Use of correcting fluid is prohibited.
- 19.11 Bids will be opened in public as soon as practicable after the closing time of bid.
- 19.12 Where practical, prices are made public at the time of opening bid

## **20. UNDERTAKINGS BY THE BIDDER**

- 20.1 By submitting a bid in response to the bid invitation, the bidder will be taken to offer to render all or any of the services described in the bid response submitted by it to the PPRA on the terms and conditions and in accordance with the specifications stipulated in this bid document.
- 20.2 The bidder shall prepare for a possible presentation should PPRA require such and the bidder shall be notified within reasonable time before the actual presentation date. Such presentation may include a practical demonstration of services as called for in this bid.
- 20.3 The bidder agrees that the offer contained in its bid shall remain binding upon him/her and receptive for acceptance by the PPRA during the bid validity period indicated in the bid and calculated from the bid closing hour and date such offer and its acceptance shall be subject to the terms and conditions contained in this bid document read with the bid.

- 20.4 The bidder furthermore confirms that he/she has satisfied himself/herself as to the correctness and validity of his/her bid response; that the price(s) and rate(s) quoted cover all the work/item(s) specified in the bid response documents; and that the price(s) and rate(s) cover all his/her obligations under a resulting contract for the services contemplated in this bid; and that he/she accepts that any mistakes regarding price(s) and calculations will be at his/her risk.
- 20.5 The successful bidder accepts full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on him/her under the supply agreement and SLA to be concluded with PPRA, as the principal(s) liable for the due fulfilment of such contract.
- 20.6 The bidder accepts that all costs incurred in the preparation, presentation and demonstration of the solution offered by it shall be for the account of the bidder. All supporting documentation and manuals submitted with its bid will become PPRA property unless otherwise stated by the bidder/s at the time of submission.
- 20.7 No attempt may be made, whether directly or indirectly, to canvass any member of PPRA employees before the award of the contract.
- 20.8 Any enquiries must be referred, in writing, to the specified persons.

## **21. COUNTER CONDITIONS**

- 21.1 Bidder's attention is drawn to the fact that amendments to any of this condition of bid by bidders may result in the invalidation of the bids.

## **22. FRONTING**

- 22.1 The PPRA support the Broad Black Based Economic Empowerment and recognises that the real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent, and legally compliant manner. Based on the above (PPRA) condemns any form of fronting.
- 22.2 The PPRA, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct, or initiate the necessary enquiries/investigations to determine the accuracy of the representation made

in the bid documents. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry, be established during such enquiry /investigation, the onus will be on the bidder / contractor to prove that fronting does not exist. Failure to do so within a period of 14 days from date of notification may invalidate the bid/contract and may also result in the restriction of the bidder /contractor to conduct business with the public sector for a period not exceeding ten years. The matter may be reported to the National Prosecuting Authority (NPA) for criminal investigation and charges in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

## **23. SCREENING**

- 23.1 Acceptance of this bid may be subject to the condition that the successful bidder must be cleared by the appropriate authorities to render the service within the PPRA.

## **24. CONFLICT OF INTEREST, CORRUPTION AND FRAUD**

- 24.1 PPRA reserves its right to disqualify any bidder who either itself or any of whose members (save for such members who hold a minority interest in the bidder through shares listed on any recognised stock exchange), indirect members (being any person or entity who indirectly holds at least a 15% interest in the bidder other than in the context of shares listed on a recognised stock exchange), directors or members of senior management, whether in respect of PPRA or any other government organ or entity and whether from the Republic of South Africa or otherwise ("Government Entity")
- 24.2 Engages in any collusive tendering, anti-competitive conduct, or any other similar conduct, including but not limited to any collusion with any other bidder in respect of the subject matter of this bid.
- 24.3 Seeks any assistance, other than assistance officially provided by PPRA, from any employee, advisor, or other representative of PPRA in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to PPRA.

- 24.4 Makes or offers any gift, gratuity, anything of value or other inducement, whether lawful or unlawful, to any of PPRA's officers, directors, employees, advisors, or other representatives.
- 24.5 Makes or offers any gift, gratuity, anything of any value or other inducement, to any PPRA's officers, directors, employees, advisors, or other representatives to obtain any unlawful advantage in relation to procurement or services provided or to be provided to PPRA.
- 24.6 Accepts anything of value or an inducement that would or may provide financial gain, advantage, or benefit in relation to procurement or services provided or to be provided to PPRA.
- 24.7 Pays or agrees to pay to any person any fee, commission, percentage, brokerage fee, gift, or any other consideration, that is contingent upon or results from, the award of any tender, contract, right or entitlement which is in any way related to procurement or the rendering of any services to PPRA.
- 24.8 Has in the past engaged in any matter referred to above; or
- 24.9 Has been found guilty in a court of law on charges of fraud and/or forgery, regardless of whether a prison term was imposed and despite such bidder, member or director's name not specifically appearing on the List of Tender Defaulters kept at National Treasury.

## **25. MISREPRESENTATION**

- 25.1 The bidder should note that the terms of its bid will be incorporated in the proposed contract by reference and that PPRA relies upon the bidder's proposal as a material representation in making an award to a successful bidder and in concluding an agreement with the bidder.
- 25.2 It follows therefore that misrepresentations in a bid may give rise to service termination and a claim by PPRA against the bidder notwithstanding the conclusion of the Service Level Agreement between PPRA and the bidder for the provision of the Service in question. In the event of a conflict between the bidder's proposal and the Service Level

Agreement concluded between the parties, the Service Level Agreement will prevail.

## **26. INDEMNITY**

- 26.1 If a bidder breaches the conditions of this bid and, as a result of that breach, PPRA incurs costs or damages (including, without limitation, the cost of any investigations, procedural impairment, repetition of all or part of the bid process and/or enforcement of intellectual property rights or confidentiality obligations), then the bidder indemnifies and holds PPRA harmless from any and all such costs which PPRA may incur and for any damages or losses PPRA may suffer.

## **27. PRECEDENCE**

- 27.1 This document will prevail over any information provided during any briefing session whether oral or written, unless such written information provided, expressly amends this document by reference.

## **28. LIMITATION OF LIABILITY**

- 28.1 A bidder participates in this bid process entirely at its own risk and cost. PPRA shall not be liable to compensate a bidder on any grounds whatsoever for any costs incurred or any damages suffered because of the Bidder's participation in this Bid process.

## **29. TENDER DEFAULTERS AND RESTRICTED SUPPLIERS**

- 29.1 No tender shall be awarded to a bidder whose name (or any of its members, directors, partners, or trustees) appear on the Register of Tender Defaulters kept by National Treasury, or who have been placed on National Treasury's List of Restricted Suppliers. PPRA reserves the right to withdraw an award, or cancel a contract concluded with a Bidder should it be established, at any time, that a bidder has been listed as defaulted with National Treasury by another government institution.

## **30. RESPONSIBILITY FOR SUB-CONTRACTORS AND BIDDER'S PERSONNEL**

- 30.1 A bidder is responsible for ensuring that its personnel (including agents, officers, directors, employees, advisors, and other representatives), its sub-contractors (if

any) and personnel of its sub-contractors comply with all terms and conditions of this bid. In the event that PPRA allows a bidder to make use of sub-contractors, such sub-contractors will at all times remain the responsibility of the bidder and PPRA will not under any circumstances be liable for any losses or damages incurred by or caused by such sub-contractors.

### **31. CONSULTATION PRIOR TO SUBMISSION OF THE BID DOCUMENTS**

- 31.1 Bidders shall consult, **in writing**, with the PPRA's officials indicated under enquiries should there appear to be any discrepancy, ambiguity or uncertainty pertaining to the meaning or effect of any description, dimension, quality, quantity or any other information contained in this bid. PPRA undertakes to provide clarification in writing to all Bidders, provided that the request is received prior to the closing date and time for clarifications.

### **32. CLARIFICATIONS AND COMMUNICATION**

- 32.1 Bidders are encouraged to submit clarification questions in writing to Property Practitioner Regulatory Authority (PPRA) officials mentioned above at least **ten (10) days** before the closing date and time.
- 32.2 The PPRA will respond in writing to queries and distribute to all bidders invited for bid.
- 32.3 Oral communication or instruction by PPRA or its representative shall have no standing in this bid unless and until they have been confirmed in writing.
- 32.4 Whilst all due care has been taken in connection with the preparation of this bid, PPRA makes no representations or warranties that the content of the bid or any information communicated to or provided to Bidder(s) during the bidding process is, or will be, accurate, current, or complete. PPRA, and its employees and advisors will not be liable with respect to any information communicated which may not accurate, current, or complete.
- 32.5 If Bidder(s) finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by PPRA (other than minor clerical matters), the Bidder(s) must promptly notify PPRA in writing of such discrepancy, ambiguity, error, or inconsistency in order to afford PPRA an opportunity to consider what corrective action is necessary (if any).
- 32.6 Any actual discrepancy, ambiguity, error or inconsistency in the bid or any other information provided by PPRA will, if possible, be corrected and

provided to all Bidder(s) without attribution to the Bidder(s) who provided the written notice.

- 32.7 All persons (including Bidder(s)) obtaining or receiving the bid and any other information in connection with the Bid, or the Tendering process must keep the contents of the Bid and other such information confidential, and not disclose or use the information except as required for the purpose of developing a proposal in response to this Bid.



## **TERMS OF REFERENCE**

**APPOINTMENT OF A SERVICE PROVIDER FOR PROVISIONING OF  
GROUP INTERNAL AUDIT SERVICES FOR A PERIOD OF THREE (3)  
YEARS FOR THE PROPERTY PRACTITIONERS REGULATORY  
AUTHORITY**

**TERMS OF REFERENCE FOR GROUP INTERNAL AUDIT SERVICES  
FOR A PERIOD OF THREE (3) YEARS FOR  
THE PROPERTY PRACTITIONERS REGULATORY AUTHORITY**

**1. BACKGROUND**

The Property Practitioners Regulatory Authority (PPRA) is a Schedule 3A Public Entity in terms of the Public Finance Management Act (PFMA), reporting to the National Department of Human Settlements (DHS) as its Executive Authority. The PPRA is committed to the Broad Based Black Economic Empowerment Act 55 of 2003 and the Codes of Good Practice.

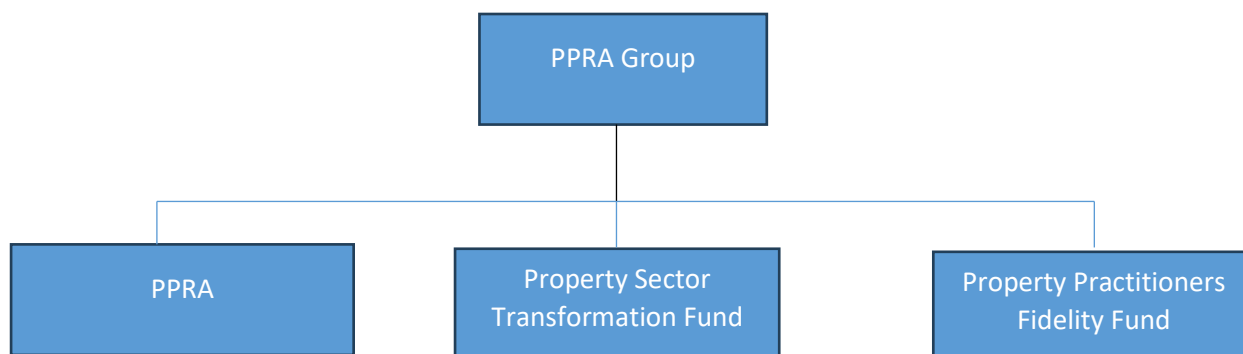
**1.1. PPRA MANDATE**

The PPRA was established in February 2022, in terms of the Property Practitioners Act, 22 of 2019 (Act). The Regulatory Authority replaces the Estate Agency Affairs Board, which was formed in 1976 under the Estates Agency Affairs Act, which has been repealed by the Property Practitioners Act. The PPRA has the mandate to Regulate, Educate and Transform the activities of property practitioners in the public interest.

The primary mandate of the PPRA in respect of the Estate Agency Affairs Act is to:

- 1.1.1. Regulate the conduct of property practitioners in dealing with the consumers;
- 1.1.2. Regulate the conduct of property practitioners in so far as marketing, managing, financing, letting, renting, hiring, selling, and purchasing of property;
- 1.1.3. Regulate and ensure that there is compliance with the provisions of the Act;
- 1.1.4. Ensure that consumers are protected from undesirable and sanctionable practices as set out in Sections 62 and 63 of the Act;
- 1.1.5. Regulate any other conduct which falls within the ambit of the Act in as far as property practitioners and consumers in this market are concerned;
- 1.1.6. Provide for the education, training, and development of property practitioners and candidate property practitioners;
- 1.1.7. Educate and inform consumers about their rights as set out in Section 69 and;
- 1.1.8. Implement measures to ensure that the property sector is transformed as set out in Chapter 4 of the Act.

## 1.2. High Level Group Structure



The PPRA Group is made up as per the above structure, with the registered entity being the PPRA with both the Property Sector Transformation Fund (PSTF) and Property Practitioners Fidelity Fund (PPFF) established in terms of sections 21 and 34 of the PPA respectively.

### **Property Sector Transformation Fund**

The PSTF was established to support the transformation and empowerment initiatives within the property sector. The PSTF is currently funded by the Property Practitioners Fidelity Fund in terms of the PPA and as approved by the PPRA Board.

### **Property Practitioners Fidelity Fund**

The PPFF is maintained and applied to reimburse persons who suffer pecuniary loss as provided for and in line with the PPA.

## 1.3. PFMA

Section 51 (1) (a) (ii) of the Public Finance Management Act No.1 of 1999, as amended (PFMA) states that an accounting authority for a public entity must ensure that, that public entity has and maintains a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with section 27.2.2 of the Treasury regulations.

The role and functions of internal audit are explained under sections 27.2.5 up to 27.2.11 of the Treasury Regulations.

## **2. OBJECTIVE**

- 2.1 The objective of this bid is to appoint a suitable independent Internal Audit Service Provider that can provide an appropriate Internal Audit function to the PPRA in order to assist the Management and Audit, Governance and Risk Committee in effectively discharging their responsibilities, in terms of the PFMA, Treasury Regulations and King IV Report on Corporate Governance.
- 2.2 The purpose of PPRA's Internal Audit Function (IAF) is to provide an independent, objective assurance and consulting services designed to add value and improve PPRA's operations. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The IAF helps the PPRA accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
- 2.3 The IAF must assist the Accounting Authority in achieving the objectives of the institution by evaluating and developing recommendations for enhancement or improvement of the processes through which:
- objectives and values are established and communicated;
  - the accomplishment of objectives is monitored;
  - accountability is ensured; and
  - corporate values are preserved

## **3. SCOPE OF WORK**

The Institute of Internal Auditors defines internal auditing as:

*"An Independent, objective assurance and advisory service designed to add value and improve an organisation's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes."*

- 3.1 In carrying out audits, the scope of work of the IAF is to determine whether the PPRA's network of risk management, control systems, and governance processes, as designed and represented by management, is adequate and functioning in an effective manner to provide reasonable assurance that:
- 3.1.1 Significant risks relating to the achievement of PPRA's strategic objectives are appropriately identified and managed. Interaction with the various governance groups within the organisation occurs as needed;

- 3.1.2 Significant financial, operational, managerial, performance and information technology information is accurate, reliable, and timely;
- 3.1.3 The actions of PPRA's employees follow PPRA's policies procedures, and applicable laws, regulations, and governance standards.
- 3.1.4 Resources and assets are acquired and disposed economically, used efficiently, and protected adequately.
- 3.1.5 The results of operations or programs are consistent with established goals and objectives of PPRA and are being carried out effectively and efficiently.
- 3.1.6 Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the PPRA.
- 3.1.7 Information and the means used to identify, measure, analyse, classify and report such information are reliable and have integrity,
- 3.1.8 The PPRA's fraud prevention plan is implemented and operating effectively and efficiently.
- 3.1.9 Assets, revenue, income, and interests of the PPRA are accounted for and safeguarded against fraud, corruption, losses of all kinds, wastage, inefficient administration, and any other causes.
- 3.2 To achieve full effectiveness, the scope of the work to be performed by the IAF will be based on its assessment of risk (with management input) as approved by the Audit, Governance and Risk Committee (AGRC).

#### **4. Accountability**

The IAF shall be accountable administratively to the Chief Executive Officer (CEO) and functionally to the AGRC:

- 4.1 Provide annually, an assessment on the adequacy and effectiveness of the PPRA's processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work;
- 4.2 Through internal auditing, identify and report significant issues related to the processes for controlling the activities of the PPRA, including potential improvements to those processes;
- 4.3 Periodically provide information on the status and results of the Annual Internal Audit Plan and ad hoc requests by the AGRC and PPRA Management;
- 4.4 Coordinate with and provide oversight of other control and monitoring functions (risk management, compliance, security, legal, ethics, environmental, external audit);

- 4.5 Review and adjust the Internal Audit Plan, as necessary, in response to changes in PPRA's business, risks, operations, programs, systems, and controls;
- 4.6 Communicate to PPRA Management and the AGRC any significant interim changes to the Internal Audit Plan;
- 4.7 The IAF will report periodically to The PPRA Management and the AGRC regarding:
  - 4.7.1 The IAF's purpose, authority, and responsibility;
  - 4.7.2 The IAF's plan and performance relative to its plan including the budget;
  - 4.7.3 Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the AGRC;
  - 4.7.4 Results of audit engagements or other activities; and
  - 4.7.5 Resource requirements

## **5. Independence**

- 5.1 To provide for the independence of the IAF, Internal Audit will report administratively to the CEO of the PPRA and functionally to the AGRC in a manner outlined in the above section on accountability.
- 5.2 The IAF will ensure that the internal audit activity remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the IAF determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.
- 5.3 IAF will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.
- 5.4 Where the IAF has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity. Internal auditors will:
  - 5.4.1 Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
  - 5.4.2 Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
  - 5.4.3 Make balanced assessments of all available and relevant facts and circumstances.

- 5.4.4 Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.
- 5.5 The IAF will confirm to the PPRA and the AGRC, at least annually, the organisational independence of the internal audit activity.
- 5.6 The IAF will disclose to the AGRC any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

## **6. Responsibility**

The IAF is responsible for rendering advisory and assurance services to the PPRA. The IAF is responsible to:

- 6.1 Develop a Rolling Three-year Strategic Internal Audit Plan based on the risk assessment report(s) of the PPRA for approval by the AGRC before the start of the financial year.
- 6.2 Develop a flexible Annual Internal Audit Plan, indicating the proposed scope of each audit, the budget, using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the AGRC for review and approval, before the start of the financial year.
- 6.3 The proposed Internal Audit Plan should include:
  - 6.3.1 The resources and hours available for engagements compared to other administrative and non-audit activities or initiatives focused on improving the IAF;
  - 6.3.2 The list of proposed engagements and related analysis, specifying the degree to which the engagements are:
    - 6.3.2.1 Assurance or advisory;
    - 6.3.2.2 Focused on certain departments, units or objectives of the organisation;
    - 6.3.2.3 Predominantly addressing financial, compliance, operational, cybersecurity or other objectives;
    - 6.3.2.4 The rationale for selecting each proposed engagement;
    - 6.3.2.5 General purpose and preliminary scope of each engagement;
    - 6.3.2.6 A percentage of hours to be reserved for contingencies and ad hoc requests;
    - 6.3.2.7 The next set of engagements that would have been performed if additional resources were available.

- 6.4 Execute the approved Annual Internal Audit Plan including, as appropriate, any special tasks or projects requested by the Management of PPRA and the AGRC.
- 6.5 Assist the Accounting Authority in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The controls subject to evaluation should encompass the following:
  - 6.5.1 the information systems environment;
  - 6.5.2 the reliability and integrity of financial and operational and performance information;
  - 6.5.3 the effectiveness of operations;
  - 6.5.4 safeguarding of assets; and
  - 6.5.5 compliance with policies, plans, procedures, laws and regulations.
- 6.6 Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.
- 6.7 Submit quarterly reports to the AGRC and the Management of PPRA summarising results of audit activities.
- 6.8 Keep the AGRC informed of emerging trends and successful practices in internal auditing.
- 6.9 Keep the AGRC and Management informed on emerging risks and legislation that may affect the organisation's ability to achieve its objectives.
- 6.10 Consider the scope of work of the external auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage to the PPRA.
- 6.11 Attend to special request engagements that may be required from management and the AGRC, including any advisory and assurance services.
- 6.12 Engagements with other assurers in order to secure combined assurance framework objectives over governance, risk management and systems of internal control.
- 6.13 Ensure that it discharges its responsibilities by conducting work in accordance with the latest Global Internal Audit Standards and that the internal audit personnel adhere to the Code of Ethics.

## **7. Authority**

- 7.1 The IAF reports to the AGRC and will have unrestricted access to the Chairperson of AGRC, the Chief Executive Officer and Senior Management.
- 7.2 Internal Audit Function is authorised to:
  - 7.2.1 Have unrestricted access to all relevant functions, meetings (i.e. EXCO, other senior management) records, property and personnel;

- 7.2.2 Allocate its own resources; determine frequencies, subjects, scope of work to be performed; and apply the techniques required to accomplish its audit objectives; and
- 7.2.3 Ensure the efficient and effective coordination of information as required from personnel in the various departments, sections and units of the organisation where IAF performs internal audit reviews
- 7.3 Internal Audit Function is not authorised to:
  - 7.3.1 Perform any operational duties for the organisation;
  - 7.3.2 Initiate or approve accounting transactions external to the internal auditing function; and
  - 7.3.3 Direct the activities of any PPRA employee except to the extent that such employees have been appropriately assigned to the internal auditing teams or to otherwise assist the internal auditors in carrying out investigations.
  - 7.3.4 Implement new financial or other systems and policies within the PPRA other than in an advisory capacity.

## **8. Reporting**

- 8.1 The IAF reports administratively to the CEO and functionally to the AGRC.
- 8.2 The IAF will be required to meet the AGRC in close session on matters that may be deemed to be discussed privately.
- 8.3 Draft internal audit reports will be submitted to the relevant managers after the completion of the audit. Management has 3 days to prepare comments on the accuracy of the draft report, which will be discussed at a meeting arranged for this purpose. Thereafter, the final report will be issued.
- 8.4 Where, in the opinion of the IAF, a critical aspect is identified during the audit, the matter will be discussed with management and followed up in writing. If considered necessary, the matter should be brought to the attention of the CEO and / or the Chairperson of the Audit, Governance and Risk Committee prior to the issuing of the report.
- 8.5 Detailed final reports will be distributed to the members of management who are responsible for the unit being audited. Detailed reports will also be included in the Audit Committee pack at the first AGRC meeting subsequent to the finalisation of the report. Copies of all final detail reports will also be submitted to the Auditor-General of South Africa (AGSA) for information.
- 8.6 Should a disagreement arise between the IAF and the relevant management regarding a specific finding or recommendation, the IAF should convene a meeting of interested parties in order to resolve the matter. Should the matter not be resolved at this level,

it should be discussed with the CEO. In the event the disagreement has still not been resolved, the matter will then be escalated to the Chairperson of the AGRC for final resolution.

8.7 The IAF will report quarterly to the AGRC on:

8.7.1 Identified significant audit findings and recommendations;

8.7.2 Any deviations from the approved audit plan, staffing plans and financial budgets as well as reasons therefore;

8.7.3 Appropriate management action taken to address control deficiencies;

8.7.4 Whether audit activities have been directed towards the highest exposure to risk and towards increasing economy, efficiency and effectiveness of operations;

8.7.5 Whether Internal, External Audit and other assurance provider efforts are co-ordinated to avoid duplication; and

8.7.6 Any unwarranted restriction on the staffing and authority of the IAF or access by Internal Auditors to the PPRA's activities, records, and personnel.

**9. Quality Control of the Internal Audit Function**

9.1 The IAF will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing.

9.2 The activities of the IAF should be guided, monitored and supervised at each level of operation to ensure that they are consistently performed in accordance with the IIA Standards and the IAF policies, procedures and methodologies.

9.3 The activities of the IAF should be subjected to an external quality assurance review ("QAR") at least once every five years, the results of which should be communicated to the AGRC and PPRA Management. The scope of the QAR should, amongst others, cover matters related to independence and objectives of the IAF, expectations of the IAF expressed by the senior management and AGRC, integration of the IAF into the department's governance processes, efficiency and effectiveness of approach, audit strategy and plans.

9.4 The QAR will be performed by a qualified independent specialist.

## **10. Performance Evaluation**

- 10.1 Self-assessment by the IAF as per the Internal Audit Charter.
- 10.2 Evaluation by management at the end of each project and all projects to be conducted by the end of the financial year.
- 10.3 The Audit Committee will annually assess the performance of the internal audit function. This will be achieved by considering the following:
  - 10.3.1 Achievement of the annual Internal Audit plan;
  - 10.3.2 Timeliness of reporting of findings and activities;
  - 10.3.3 Responsiveness to changing business/operational environment;
  - 10.3.4 Management's acceptance of the Internal Audit findings;
  - 10.3.5 Quality and relevance of the annual assessment reports;
  - 10.3.6 Level of cooperation and interaction with other assurance providers within the agreed combined assurance approach;
  - 10.3.7 Maintenance of adequate staffing/sourcing levels to achieve the requirements of this charter;
  - 10.3.8 Meeting the budget allocated to Internal Audit;

## **11. Requests for Special Projects**

- 11.1 All requests to the IAF to perform ad-hoc assignments must be in writing and be made to the CEO for approval by the AGRC.
- 11.2 The AGRC may request directly from the IAF to perform ad-hoc assignments as and when required.
- 11.3 The Board, in consultation with the AGRC, may request from the IAF to perform ad-hoc assignments as and when required.

## **12. Combined Assurance**

- 12.1 The IAF should be co-ordinated with activities of the External Auditors and other assurance providers to ensure appropriate coverage of risk areas and minimise duplication of efforts. There should be access to each other's audit plans and programs, as well as audit reports. This will be accomplished by:
  - 12.1.1 Meeting to discuss the annual internal and external audit plans.
  - 12.1.2 Meetings to discuss the audit plans and activities.
  - 12.1.3 Access to each other's programmes, working papers and other documents.
  - 12.1.4 Exchange of management letters and audit reports concerning their respective audit findings and recommendations and the IAF will carry out follow-ups on

comments and recommendations contained in the External Audit report, and vice-versa.

12.1.5 Sharing information on perceived risk areas.

12.1.6 The IAF must assess the adequacy of the combined assurance approach adopted by the organisation. This assessment includes the adequacy of risks covered by the different assurance providers and the reliability of the assurance provided.

### **13. Review and update of the Internal Audit Charter**

13.1 The IAF should annually assess whether the purpose, authority, and responsibility, as defined in this charter, continue to be adequate and in line with the Global Internal Audit Standards to enable the IAF to accomplish its objectives. The result of this annual assessment should be communicated to the Management of the PPRA and the AGRC for agreement.

13.2 The PPRA Internal Audit Charter will be reviewed annually or as and it is necessary, by the AGRC.

### **14. Review and update of the Internal Audit Methodology**

14.1 The IAF should establish a methodology to ensure that the internal auditors are properly supervised, conform to the Global Internal Audit Standards and behave in alignment with ethical and professional values.

14.2 The IAF should annually assess whether the Internal Audit Methodology continue to be adequate and in line with the Global Internal Audit Standards to enable the IAF to accomplish its objectives. The result of this annual assessment should be communicated to the Management of the PPRA and the AGRC for agreement.

### **15. EVALUATION CRITERIA**

This tender will be evaluated in three phases (Mandatory Requirements, Functionality, Price and Specific Goals).

Below are mandatory required documents which must be submitted with the bid documents. **None submission of all mandatory documents will result in the bidder being disqualified:**

## 15.1 Phase 1: Mandatory Requirements

15.1.1 The internal audit firm and proposed team must be registered with the Institute of Internal Auditors (IIA).

15.1.2 The internal audit firm and proposed team must be registered with the Independent Regulatory Board for Auditors (IRBA).

15.1.3 Proof of registration with professional bodies must be attached.

## 15.2 Phase 2: Functionality Requirements

The bids/proposals will be evaluated on technical requirements (functionality). A bid will be disqualified if it fails to meet the minimum threshold of **80 points** for functionality. Bidders that meet the minimum threshold of **80 points** will then be evaluated further on Stage 3: Price and specific goals

| No |                                                                                                                                                                                              | Score Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Weight |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| 1  | <b>Proposed Approach and Methodology</b><br>Availability and appropriateness of the tools and methods used by the organisation and how they will satisfy the requirements of the assignment. | <ul style="list-style-type: none"><li>• 00 points = no approach and methodology submitted.</li><li>• 5 points = inadequate methodology and approach (unclear execution plan which is not linked to all deliverable)</li><li>• 10 points = methodology and approach cover the minimum requirements (re-organising the scope of work into execution plan)</li><li>• 20 points = methodology and approach cover minimum requirements with minor information missing (clear execution plan, specific timeframes, detailed and clear approach to deliver on identified deliverables)</li><li>• 25 points = methodology and approach are fully adequate to meet the requirements of the assignment (clear execution plan, specific timeframes, detailed and clear approach to deliver on identified deliverables and value add services)</li></ul> | 25     |
| 2  | <b>Technical Approach and Project Implementation Plan:</b>                                                                                                                                   | <ul style="list-style-type: none"><li>• 00 points = No understanding of the project.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 25     |

| No |                                                                                                                                                                                          | Score Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Weight |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
|    | Appropriateness of suggested delivery schedule indicating targets and time frames per financial year and ability to reach and exceed the set targets:                                    | <ul style="list-style-type: none"> <li>• 05 points= Demonstrate a basic understanding of the project</li> <li>• 10 points= Demonstrate an understanding of project with clear timelines.</li> <li>• 15 points = Demonstrate an understanding of project with clear timelines and targets.</li> <li>• 20 points= Demonstrate an understanding of project with clear timelines, targets and cash flow.</li> <li>• 25 points = Demonstrate an understanding of project with clear timelines, targets, cash flow and engagement strategy.</li> </ul> |        |
| 3  | <b>Qualification and Experience of the Lead Team member</b><br>Academic qualifications and experience of Lead Team member that will have overall responsibility of the PPRA assignment   | <ul style="list-style-type: none"> <li>• 00 points = No CIA/CA.</li> <li>• 05 points = CA with 3 to 4 years' experience.</li> <li>• 10 points = CA with 5 years and above of experience.</li> <li>• 15 points = CIA with 3 to 4 years' experience.</li> <li>• 15 points = CIA, other specialist (certified forensic examiners, certified information systems auditor) with 5 years and above of experience</li> </ul>                                                                                                                            | 15     |
| 4  | <b>Qualification and Experience of the Employees/Team members</b><br>Academic qualifications and experience of Team members that will have overall responsibility of the PPRA assignment | <ul style="list-style-type: none"> <li>• 00 points = No CIA/CA.</li> <li>• 05 points = CA, other specialist (certified forensic examiners, certified information systems auditor) with 5 years and above of experience.</li> <li>• 10 points = CIA, other specialist (certified forensic examiners, certified information systems auditor) with 3 to 4 years' experience.</li> <li>• 15 points = CIA with 5 years and above of experience.</li> </ul>                                                                                            | 15     |
| 5  | <b>Experience of the firm in Internal Audit of Public Sector</b>                                                                                                                         | <ul style="list-style-type: none"> <li>• 00 points = less than 2 years.</li> <li>• 05 points = Between 2 to 3 years.</li> <li>• 10 points = Between 4 to 5 years.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                     | 20     |

| No |                                                 | Score Description                                                                                                       | Weight |
|----|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--------|
|    | (i.e. Public Entities and National Departments) | <ul style="list-style-type: none"> <li>15 points = Between 6 to 7 years.</li> <li>20 points = above 7 years.</li> </ul> |        |
|    | <b>TOTAL POINTS</b>                             |                                                                                                                         | 100    |

### 15.3 Phase 3: Price and Preference Point System

This stage of the evaluation is in line with the Preferential Procurement Policy Framework Act (PPPFA), Preferential Procurement Regulations (PPR) 2022 and the PPRA SCM Policy prescribing the framework for the Preference Point System.

The Entity is applying the 80/20 Preference Point System for this tender. A maximum score of eighty (80) points will be allocated for Price quoted by the Bidder, as per Regulation 5 of PPR 2022 and twenty (20) points are allocated in line with the persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994;

|                                              | POINTS |
|----------------------------------------------|--------|
| Price                                        | 80     |
| Preference Point – Specific Goals            | 20     |
| Total points for Price and Preference Points | 100    |

#### Price Evaluation:

The following formula shall be used to calculate the points out of 80 for price in respect of quotations/bids with a Rand value equal to or below R50 000 000 (all applicable taxes included):

$$PS = 80 \left( 1 - \frac{Pt - Pmin}{pmin} \right)$$

Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

Pmin = Price of lowest acceptable bid

**Preference Point – Specific Goals:**

A maximum of 20 points will be awarded to a tenderer for the Specific Goal specified in this tender.

Points scored for the Specific Goals must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

**Specific Goals Requirements**

To qualify for Specific Goal points, Bidders must provide evidence and verifiable documentation as proof to claim the Preference Points.

| SPECIFIC GOALS                   | PROOF OF EVIDENCE              | POINTS |
|----------------------------------|--------------------------------|--------|
| Black People                     | Attach ID document             | 10     |
| Women                            | Attach ID document             | 4      |
| Youth                            | Attach ID document             | 2      |
| People with Disability           | Attach proof (Doctor's report) | 2      |
| People who are Military Veterans | Attach proof                   | 2      |

**21. ADDITIONAL REQUIRED INFORMATION (ONLY PROVIDED ON REQUEST)**

- 21.1 The bidder may be requested to furnish SCM practitioners or officers with information such as company profile that comprises; management personnel, supervisor, composition in terms of shareholding, address of the head office, regional office, or branches, disclose the date the company commenced its operation and reference letter of the related job completed successfully, etc.

**PRICING SCHEDULE****(Professional Services)**

NAME OF BIDDER: ..... BID NO.: **PPRA 07/2024** CLOSING TIME **12:00pm**  
 CLOSING DATE:.....

**Note: The table below should be used merely as a guidance for costing purposes and evaluation purposes and should not be taken as an exhaustive list of audits to be performed.**

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

| ITEM NO | DESCRIPTION | BID PRICE IN RSA CURRENCY<br>INCLUSIVE OF VAT |
|---------|-------------|-----------------------------------------------|
|---------|-------------|-----------------------------------------------|

| DESCRIPTION                                      | UNIT COST PER<br>ACTIVITY | NUMBER OF ACTIVITIES OR<br>REPORTS               | TOTAL COST<br>(Excluding 15% VAT) |
|--------------------------------------------------|---------------------------|--------------------------------------------------|-----------------------------------|
| 1. Finance Review Report                         | R                         | (3) – 1 per year                                 | R                                 |
| 2. SCM and Assets<br>Management Review<br>Report | R                         | 3 – 1 per year                                   | R                                 |
| 3. Human Resource Review<br>Report               | R                         | 3 – 1 per year                                   | R                                 |
| 4. Information Technology<br>(IT) Review Report  | R                         | 3 – 1 per year                                   | R                                 |
| 5. Governance Review<br>Report                   | R                         | 3 – 1 per year                                   | R                                 |
| 6. Risk Management Review<br>Report              | R                         | 3 – 1 per year                                   | R                                 |
| 7. Legal Services Review<br>Report               | R                         | 2 – 1x Full review and<br>1x Follow-up Review    | R                                 |
| 8. Security Management and<br>OHS Review Report  | R                         | 2 – 1x Full Review<br>and 1x Follow-Up<br>Review | R                                 |
| 9. Compliance Management<br>Review               | R                         | 2 – 1x Full review and<br>1x Follow-up Review    | R                                 |

| DESCRIPTION                                                                                  | UNIT COST PER ACTIVITY | NUMBER OF ACTIVITIES OR REPORTS            | TOTAL COST (Excluding 15% VAT) |
|----------------------------------------------------------------------------------------------|------------------------|--------------------------------------------|--------------------------------|
| 10. Disaster Recovery and Business Continuity Review Report                                  | R                      | 2 – 1x Full review and 1x Follow-up Review | R                              |
| 11. Quarterly and Annual Reviews of Performance Information Report                           | R                      | 12 – 4 per year                            | R                              |
| 12. Review of Interim Financial Statements and Annual Financial Statements Reports           | R                      | 6 – 2 per year                             | R                              |
| 13. Quarterly Follow-Up on Internal and External Audit Findings – updated Tracking Registers | R                      | 12 - 4 per year                            | R                              |
| 14. Consulting Reviews                                                                       | R                      | Indicate hours                             | R                              |
| 15. Ad hoc Reviews                                                                           | R                      | Indicate hours                             |                                |
| <b>SUB –TOTAL (1-14 Excluding 15% VAT)</b>                                                   |                        |                                            | <b>R</b>                       |
| <b>15% VAT</b>                                                                               |                        |                                            | <b>R</b>                       |
| <b>Total (15% VAT Incl.)</b>                                                                 |                        |                                            | <b>R</b>                       |

**NB: FAILURE TO FULLY COMPLETE THIS SBD 3.3 WILL RENDER YOUR PROPOSAL REGARDED AS NON-RESPONSIVE AND WILL THEREFORE NOT BE CONSIDERED FOR FURTHER EVALUATION.**

NB! The PPRA will not be responsible for any travel costs.

NB! The PPRA will process invoice payments upon the successful completion or partial completion of the abovementioned deliverables in line with the signed service level agreement (SLA).

## BIDDER'S DISCLOSURE

### 1. PURPOSE OF THE FORM

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

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

### 2. Bidder's declaration

- 2.1** Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest<sup>1</sup> in the enterprise, employed by the state? **YES/NO**

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

| Full Name | Identity Number | Name of State institution |
|-----------|-----------------|---------------------------|
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |

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

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

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

2.2.1 If so, furnish particulars:

.....  
.....

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

2.3.1 If so, furnish particulars:

.....  
.....

### **3 DECLARATION**

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

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

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

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

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

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

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

|           |                |
|-----------|----------------|
| .....     | .....          |
| Signature | Date           |
| .....     | .....          |
| Position  | Name of bidder |

## PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

**NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022**

### 1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

### 1.2 To be completed by the organ of state

- a) The applicable preference point system for this tender is the 80/20 preference point system.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

- (a) Price; and  
(b) Specific Goals.

### 1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

|                                                  | POINTS     |
|--------------------------------------------------|------------|
| PRICE                                            | 80         |
| SPECIFIC GOALS                                   | 20         |
| <b>Total points for Price and SPECIFIC GOALS</b> | <b>100</b> |

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

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

## 2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“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; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

## 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### 3.1. POINTS AWARDED FOR PRICE

#### 3.1.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

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

| 80/20                                                     | or | 90/10                                                     |
|-----------------------------------------------------------|----|-----------------------------------------------------------|
| $Ps = 80 \left( 1 - \frac{Pt - P_{min}}{P_{min}} \right)$ | or | $Ps = 90 \left( 1 - \frac{Pt - P_{min}}{P_{min}} \right)$ |

Where

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

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

#### 3.2.1. POINTS AWARDED FOR PRICE

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

$$\begin{array}{ccc} \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\ \mathbf{P_s = 80 \left( 1 + \frac{P_t - P_{max}}{P_{max}} \right)} & \mathbf{or} & \mathbf{P_s = 90 \left( 1 + \frac{P_t - P_{max}}{P_{max}} \right)} \end{array}$$

Where

- $P_s$  = Points scored for price of tender under consideration  
 $P_t$  = Price of tender under consideration  
 $P_{max}$  = Price of highest acceptable tender

### 4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
  - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,
- then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

***(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.***

***Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)***

| The specific goals allocated points in terms of this tender | Number of points allocated<br>(80/20 system)<br>(To be completed by the organ of state) | Number of points claimed (80/20 system)<br>(To be completed by the tenderer) |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| Black People (Attach ID Copy)                               | 10                                                                                      |                                                                              |
| Woman (attach ID copy)                                      | 4                                                                                       |                                                                              |
| Youth (Attach ID copy)                                      | 2                                                                                       |                                                                              |
| People with Disability (Attach proof)                       | 2                                                                                       |                                                                              |
| People who are Military Veterans (Attach proof)             | 2                                                                                       |                                                                              |

#### **DECLARATION WITH REGARD TO COMPANY/FIRM**

4.3. Name of company/firm.....

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
- ☐ One-person business/sole propriety
- ☐ Close corporation
- ☐ Public Company
- ☐ Personal Liability Company
- ☐ (Pty) Limited
- ☐ Non-Profit Company
- ☐ State Owned Company

[TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
  - (a) disqualify the person from the tendering process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
  - (e) forward the matter for criminal prosecution, if deemed necessary.

|                                             |       |
|---------------------------------------------|-------|
| .....<br><b>SIGNATURE(S) OF TENDERER(S)</b> |       |
| <b>SURNAME AND NAME:</b>                    | ..... |
| <b>DATE:</b>                                | ..... |
| <b>ADDRESS:</b>                             | ..... |
|                                             | ..... |
|                                             | ..... |

# **GOVERNMENT PROCUREMENT**

## **GENERAL CONDITIONS OF CONTRACT**

### **NOTES**

The purpose of this document is to:

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

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

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

## TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
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22. Penalties
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29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. National Industrial Participation Programme (NIPP)

## General Conditions of Contract

### 1. Definitions

1. The following terms shall be interpreted as indicated:
  - 1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
  - 1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
  - 1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
  - 1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of 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.
- 1.18 “Manufacture” means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 “Order” means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 “Project site,” where applicable, means the place indicated in bidding documents.
- 1.21 “Purchaser” means the organization purchasing the goods.
- 1.22 “Republic” means the Republic of South Africa.
- 1.23 “SCC” means the Special Conditions of Contract.
- 1.24 “Services” means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 1.25 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.

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| <b>2. Application</b>                                            | <p>2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.</p> <p>2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.</p> <p>2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>3. General</b>                                                | <p>3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.</p> <p>3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from <a href="http://www.treasury.gov.za">www.treasury.gov.za</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>4. Standards</b>                                              | <p>4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>5. Use of contract documents and information; inspection.</b> | <p>5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.</p> <p>5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.</p> <p>5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.</p> <p>5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.</p> |
| <b>6. Patent rights</b>                                          | <p>6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>7. Performance security</b>                                   | <p>7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

- 7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
- (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
  - (b) a cashier's or certified cheque
- 7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

**8. Inspections,  
tests and  
analyses**

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract supplies may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with

supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

## **9. Packing**

- 9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.
- 9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

## **10. Delivery and documents**

- 10.1 Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.
- 10.2 Documents to be submitted by the supplier are specified in SCC.

## **11. Insurance**

- 11.1 The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the SCC.

## **12. Transportation**

- 12.1 Should a price other than an all-inclusive delivered price be required, this shall be specified in the SCC.

## **13. Incidental services**

- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
  - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
  - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
  - (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

#### **14. Spare parts**

14.1 As specified in SCC, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
- (b) in the event of termination of production of the spare parts:
  - (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
  - (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

#### **15. Warranty**

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

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

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

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

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| <b>16. Payment</b>                              | <p>16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.</p> <p>16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.</p> <p>16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.</p> <p>16.4 Payment will be made in Rand unless otherwise stipulated in SCC.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>17. Prices</b>                               | <p>17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>18. Contract amendments</b>                  | <p>18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>19. Assignment</b>                           | <p>19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>20. Subcontracts</b>                         | <p>20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>21. Delays in the supplier's performance</b> | <p>21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.</p> <p>21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.</p> <p>21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.</p> <p>21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the 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.</p> |

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

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without canceling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

## **22. Penalties**

22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

## **23. Termination for default**

23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:

- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- (b) if the Supplier fails to perform any other obligation(s) under the contract; or
- (c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.

23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard

the intended penalty as not objected against and may impose it on the supplier.

23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.

23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:

- (i) the name and address of the supplier and / or person restricted by the purchaser;
- (ii) the date of commencement of the restriction
- (iii) the period of restriction; and
- (iv) the reasons for the restriction.

These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.

23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

#### **24. Anti-dumping and countervailing duties and rights**

24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him

#### **25. Force Majeure**

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security,

damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

**26. Termination  
for insolvency**

- 26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

**27. Settlement of  
Disputes**

- 27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 27.5 Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
  - (b) the purchaser shall pay the supplier any monies due to the supplier.

**28. Limitation of  
liability**

- 28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;
- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

**29. Governing language**

29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

**30. Applicable law**

30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.

**31. Notices**

31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice

31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

**32. Taxes and duties**

32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

**33. National Industrial Participation(NIP Programme)**

**33.1** The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.

General Conditions of Contract (revised February