



SOUTH AFRICAN LOCAL
GOVERNMENT ASSOCIATION

SALGA

Inspiring service delivery

Request for Proposals for the Appointment of a Service Provider to Provide licences, technical support and maintenance of SALGAs Cloud Based Human Capital Management System: ORNECY for a period of 60 months.

BID NO. SALGA/02/2025

Closing date and time: 28 August 2025 @ 11:00 am

Bid Validity Period: 120 days

TENDER BOX ADDRESS:

Ground Floor

Menlyn Corporate Park

Block B, 175 Corobay Avenue

c/o Garsfontein and Corobay Avenue

Waterkloof Glen

TEL: (012) 369 8000

EMAIL: scm@salga.org.za

WEBSITE: www.salga.org.za

1. INTRODUCTION

The South African Local Government Association (SALGA) is a public entity established by the Organised Local Government Act (Act 52 of 1997) to assist in the comprehensive transformation of local government in South Africa. Its main objectives are to:

- Represent, promote and protect the interests of local government;
- Transform local government to enable it to fulfil its developmental role;
- Enhance the role and status of its members as provincial representatives and consultative bodies of local government;
- Enhance the role and status of municipalities;
- Be recognised by national and provincial governments to be the representative and consultative body in respect of all matters concerning local government and to make representations to both provincial and national governments in respect of any matter concerning local government;
- Ensure the full participation of women in organised local government;
- Be the National Employers' Association representing all municipal members and, by agreement, associate members.

2. SALGA MANDATE

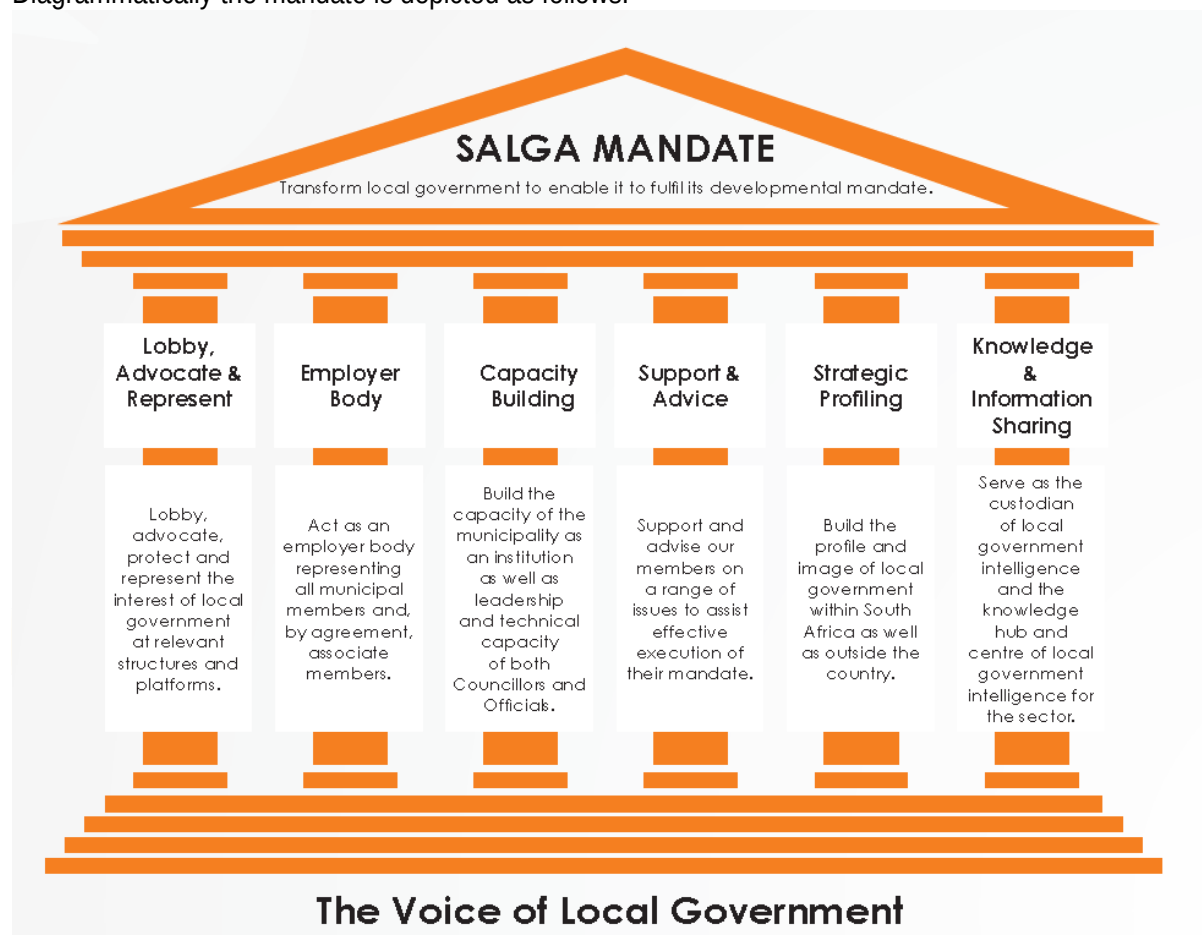
Developmental Local Government is an essential component of the machinery of government. In accordance with its constitutional mandate, SALGA is obliged to transform the local government sector to one that has the required capacity to make a meaningful contribution to poverty alleviation, economic development and all socio-economic opportunities that the state has geared itself to provide for its people.

SALGA also serves as the representative voice of all 257 municipalities in the country. For the past 20 years, since its establishment, SALGA has endeavoured to bring focus to its mandate of supporting local government transformation in a complex environment, characterised by a highly diverse and diffuse membership-base of municipalities. In terms of its amended Constitution, SALGA is a unitary body that consists of a national association and nine provincial offices. Its mandate rests on six primary pillars:

- (1) **Representation, Advocacy and Lobbying** refers to representing the interests of members in legislatures and other policy making and oversight structures. It also refers to engaging with various stakeholders, public debates etc. in the interest of Local Government.
- (2) **Employer Body** refers to being an effective employer representative for members. Employer representation is carried out through collective bargaining (in terms of the Labour Relations Act) in various structures including but not limited to those established in the South African Local Government Bargaining Council.
- (3) **Capacity Building** refers to facilitating capacity building initiatives through among others; representing member interests in the Local Government Sector Education Authority (LGSETA). SALGA strives to facilitate a coherent, well-co-ordinated capacity building programme for municipal councillors and officials.
- (4) **Support and Advice** refers to the provision of tools and services that enable municipalities to understand and interpret trends, policies and legislation affecting Local Government and to implement the said policies and plans
- (5) **Strategic Profiling** of Local Government refers to enhancing the profile and image of local government as an important and credible agent for the delivery of services. Profiling focuses within South Africa, the African continent and the rest of the world.

- (6) **Knowledge and Information Sharing** refers to building and sharing a comprehensive hub of Local Government knowledge and intelligence that will enable informed delivery of other SALGA mandates. The knowledge hub is also a useful reference point for all who seek Local Government information.

Diagrammatically the mandate is depicted as follows:

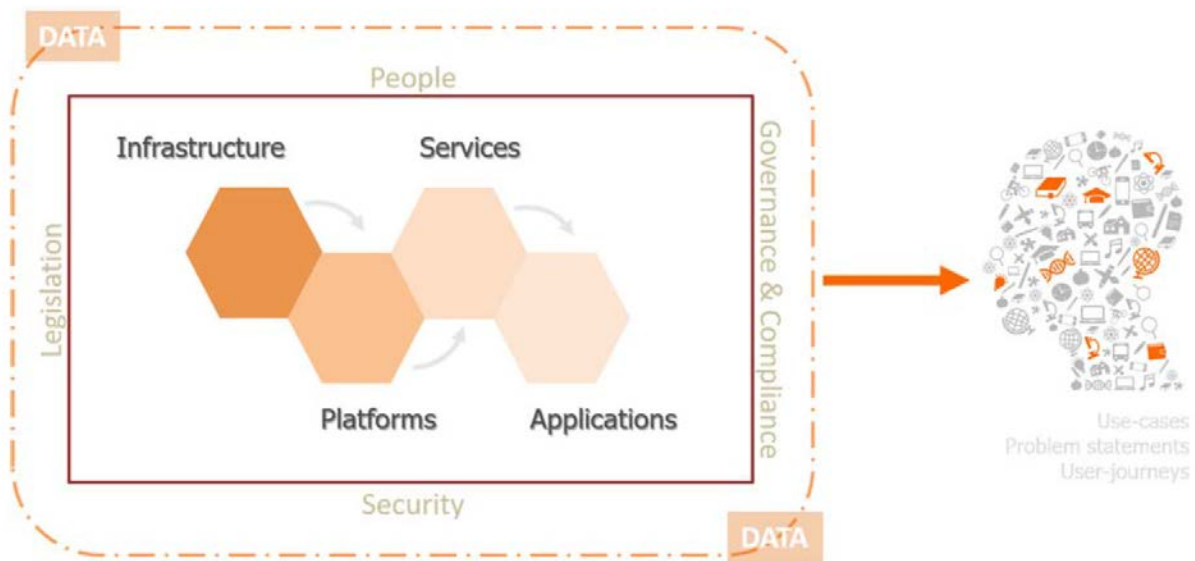


3. BACKGROUND

In driving the adoption and rollout of Digital Technologies, for value creation within local government, SALGA - through SALGA Digital - developed a strategic digital framework. Core to this framework is delivering a strong alignment between strategic organisational objectives and digital interventions. That is, weaving a connection between organisational key objectives - characterised by problem statements, opportunity statements, and use cases - with fit-for-purpose cutting-edge digital technologies.

The Digital Framework

The over-arching frame of reference is the SALGA Digital Strategic Framework which logically arranges the various components of the digital ecosystem. This includes eight archetypes, four of which are the core, with the latter being the anchor archetypes. These are all responsible for informing the architecture of digital solutions that harness the power of data to address various Use Cases and Processes, Problem Statements, and User-Journey/Experience modalities.



4. INSTRUCTION TO BIDDERS

4.1 General Instructions

This document constitutes a Request for Proposal (RFP), which specifies SALGA's requirements for a service provider to provide licenses, technical support, maintenance and future enhancements to SALGAs Cloud Based Human Capital Management System: **ORNECY** for a period of **60 months**.

The information contained herein provides a format to facilitate bidder's responses to this RFP. It is important that the format be followed closely to help maintain the decision-making timetable.

Responses must be presented in the same order as the requirements appear, section by section, and numbered accordingly, with acknowledgement of all clauses. All pricing information should be fully disclosed with all charges clearly defined, i.e. a per unit fee based on activity. Please feel free to address any other potential services not specifically mentioned in this RFP that may be of benefit of SALGA.

4.2 Objectives

The following deliverables **must** be displayed as part of the scope of work narrated above, but are not limited to additional, value added services going forward. Any additional service offerings, to be quoted for separately.

SALGAs HCCS System, Ornecy is a cloud-based solution that is centrally managed and ORNECY licences are managed by the Human Capital Business Unit at the National Office. All SALGA Employees have access to the system. User access management are carefully managed and controlled through an approved User Access Management Policy & Procedure.

The appointed service provider must assist SALGA with:

- ORNECY license and maintenance renewals, annually;
- ORNECY system enhancements, when required;
- ORNECY system upgrades, when required;
- Ongoing ORNECY system support (as defined by SLA);

- ORNECY integration (when required) with other systems, e.g. Finance ERP, CV Spaces, Sparkfolios etc.;
- ORNECY Module support and maintenance and enhancement
- Database Support, Maintenance and query analyser
- Automation of processes;
- Business Intelligent Reporting and analytics. (Maintenance and enhancements of available reports; build new reports as and when required)
- Business Continuity – Backup and Disaster Recovery in place to ensure 100% uptime. Monthly backups and test restores to be conducted and quarterly DR testing's
- Cybersecurity – quarterly penetration testing(s) to be conducted and discussed with SALGA management team.
- Future upgrading of the ORNECY Business Environment.
- Introduction of innovative solutions and Business Process enhancements through advanced technologies, e.g. Artificial Intelligence (AI) integration, AI Agents, chat-bots, etc.

Since commencement of the OrneCY contract in December 2021, the technology solution, ORNECY delivered on the following functionalities:

- Management of Human Capital Data
- Enablement of the entire hire-to-hire (employee lifecycle) process
- Enablement of employee and manager self-service (operational and analytic)
- Enablement of voice-of-the-employee requirements
- Production of operational and management reports
- Generation of decision-support and analytic reporting
- Support of self-service and ad-hoc analytics
- Secure sensitive employee data compliant with applicable legislation.

4.3 System Functionalities currently active on ORNECY:

- Organisational Design Module
- HR Core Module
- Recruitment Module
- Talent Mapping
- Payroll Management Module
- Learning and Development Module
- Performance Management Module
- Employee Relations
- Employee Wellness
- Employee Self Service (ESS)
- Leave and time Management
- Acting appointments
- Standard and custom reports per demographics/per department and organisationally
- Advanced reporting through MS Power BI and Power query.
- Compensation and Benefits
- Health and Safety

	Module	Sub module
	Organisation management	Organisation management - o <i>Organisation chart</i> - o <i>Role actions</i> - o <i>Managed cost center</i>
	Talent acquisition	Onboarding
	Associate services	Associate information Associate documents o <i>Associate contract documents</i> Assets issued Declarations
	Health, safety and wellness	Health information Accident reports
	Compensation & benefits	Compensation - o <i>Compensation information</i> - o <i>Compensation report</i> Benefits
	Time and attendance	Leave information
	Talent management	Performance management - o <i>Scorecards</i> Associate development - o <i>Associate development plans</i> - o <i>Associate resume</i> Talent planning - o <i>Grid plans</i>
	Learning academy	Associate learning Bursary applications
	Employee relations	Employee discipline Performance improvement
	HR operations	Manage HR policies EEA plans
	Separations	Offboarding - o <i>Offboarding</i> - o <i>Exit interviews</i> Notices - o <i>Exit notices</i> - o <i>Termination notice</i>
	Payroll	

5. PRICING

All prices **must** be inclusive of VAT. (Pricing schedule should also provide a detailed breakdown in terms of different support offerings and a fixed rate per hour. (This will assist costing of any future enhancements that will be dealt with as separate projects).

Financial Implications: (Max Headcount Up To: 550)

Description	Year 01	Year 02	Year 03	Year 04	Year 05	Total
App Licences						
Maintenance & Support (600 hours Annual Support for System Enhancements)						
Councillor Payroll Licenses (850 Headcount)						
Sub-total Excl.						
VAT@15%						
Grand Total Incl.						

****Maintenance and Support hours will be used for ongoing support, training requirements and future enhancements to the OrneCy modules. Hours not utilised will not be billed for, only requirements that have been signed off through change & release management.***

6. TIME FRAME

The contract will be for 60 months. (Licensing, Maintenance, Support and Enhancements to ORNECY).

7. CONTENT OF PROPOSAL

(Information to be submitted by the bidders)

7.1 The proposal should include:

- 7.1.1. all relevant perceived strengths and weaknesses of the firm bidding for the service, e.g. similar previous experience, in-house skills, etc; providing information which will assist SALGA to assess its capabilities, competitive advantages, etc.;
- 7.1.2. the summary of the bidder's mission statement, the vision statement, values and long term strategies and objectives as comprehensively as possible;
- 7.1.3. a list of references of previous and current appointments relevant to the required services; examples of such services capabilities and experience and more specifically the number and size of organisations where service rendered in specific sectors in government and areas of expertise.
- 7.1.4. an organogram or list of partners, managers, specialists, together with the *curriculum vitae* of the staff who will be available for the duration of the work; any staff changes regarding staff allocated to SALGA must be done in consultation with the Project Manager representing the organisation. The successful bidder should provide experienced specialists relevant to the required services.

- 7.1.5. A breakdown of the hourly tariff, VAT inclusive, per category as required for services rendered. Expenditure incurred without the prior approval of SALGA will not be reimbursed. An analysis of costs must be given to cover the full amount, and where possible, costs should be linked with specific tasks to be undertaken. All other incidental costs should be included in the budget breakdown.
- 7.1.6. In so far as is possible, a comprehensive budget, showing the service of activities proposed, with charge-out rates and budgeted hours per activity, detailing all assumptions made in arriving at a proposed budget, including all cost factors such as traveling.
- 7.1.7. The rate of remuneration of consultants will be subject to negotiation.
- 7.1.8. The remuneration framework of consultants shall take the following into consideration:
- a) The “Guidelines on Fees for Audits done on behalf of the Auditor-General of South Africa (AGSA)” as issued by the South African Institute of Chartered Accountants (SAICA);
 - b) The “Guide on Hourly Fee Rates for Consultants” as issued by the department of Public Service and Administration (DPSA); and/or
 - c) Remuneration guidelines issued by professional service organisation or regulatory bodies, as may be relevant.
- 7.1.9. How the bidder proposes to provide governance assistance to SALGA; and
- 7.1.10. In so far as is possible, provide an overview of the methodology to be applied.
- 7.1.11. How the bidder will ensure that there is transfer of skills to the SALGA team.

7.2. APPOINTMENT, COMMENCEMENT AND DURATION

The appointed service provider is anticipated to commence the work upon appointment for a duration and ending on contract expiry, 60 months.

7.3. DESCRIPTION AND EXTENT OF WORK (PROJECT MANAGEMENT)

7.3.1. Performing of assignments

Assignments are to be performed in accordance with the industry/profession standards as well as the terms of reference. All reports will be reviewed by the relevant Project Manager representing the organisation.

All working papers and reports and documents will become the property of SALGA.

The successful bidder shall work with the leading Cluster of SALGA on the planning of various phases of the service activities and must be prepared to regularly report the progress to the relevant Project Manager.

7.3.2 Timing of assignments

The performance of this assignment shall be in accordance with the approved plan by the Project Committee. The final responsibility of approving the scope and extent of the work resides with the relevant Project Manager.

7.3.3 Quality assurance reviews of the work

The service provider shall ensure that all work conforms to the relevant or legislated framework, as well as the SLA.

7.3.4 Monitoring progress of assignments

On a mutually agreed basis, the service provider shall meet with the Project Manager to report progress of the work, and at the Project Committee meetings, where applicable.

7.3.5 Payments

SALGA undertakes to pay out within a reasonable time period all valid claims for work done to its satisfaction upon presentation of a substantiated claim. No payment will be made on outstanding information not submitted by the service provider.

The parties shall, upon appointment of the service provider, sign a service level agreement to govern their business relationship.

Acceptance of any bid does not mean that work on an uninterrupted basis is guaranteed for the duration of the contract.

7.3.6 Expenditure incurred by the bidder

The SALGA will not be held responsible for any costs incurred by the bidder in the preparation and submission of the bid.

Additional attention to be placed on the following issues when providing responses in the bid:

- **Continuous Improvement**: Encourage a culture of continuous improvement by requiring the service provider to proactively identify opportunities for enhancing system functionality, optimizing performance, and reducing operational costs. Foster collaboration between SALGA and the service provider to drive innovation and value generation.
- **Service Level Agreement (SLA) Metrics**: Define specific performance metrics and service level targets that the service provider is expected to meet, such as response times for resolving technical issues, uptime guarantees for system availability, and customer satisfaction thresholds.
- **Data Security and Privacy**: Specify requirements for data security measures to protect sensitive information stored within the SAPB1 system and integrated systems. This may include encryption protocols, access controls, regular security audits, and compliance with relevant data protection regulations.

- **Training and Knowledge Transfer:** Include provisions for training sessions or workshops to be conducted by the service provider to empower SALGA staff with the necessary skills and knowledge to effectively utilize and maintain the Ornecy system and integrated systems. Additionally, require documentation and knowledge sharing practices to facilitate ongoing knowledge transfer.
- **Change Management Process:** Define a structured change management process for requesting, evaluating, and implementing changes or enhancements to the Ornecy system and integrated systems. This should include protocols for assessing the impact of changes, obtaining approval from SALGA stakeholders, and ensuring proper documentation and testing.
- **Vendor Management and Governance:** Specify expectations for vendor management practices, including regular performance reviews, escalation procedures for unresolved issues, and mechanisms for addressing conflicts of interest or disputes. Establish a governance framework for overseeing the service provider's activities and ensuring alignment with SALGA's objectives.
- **Reporting and Transparency:** Require the service provider to provide regular reports on service performance, including metrics such as system availability, incident resolution times, and adherence to SLA targets. Ensure transparency in billing practices and provide mechanisms for SALGA to review and validate invoiced charges.

8. INSTRUCTION TO BIDDERS

8.1 General Instructions

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8.2 Objectives

SALGA's objective in the call for proposals is to select a service provider to provide licences, technical support and maintenance and system enhancements. Upon successful completion of the approved Services, the Service Provider shall enter into a 60-month Service Level Agreement with SALGA.

8.3 Terms of Contract

The term of the contract shall be regulated by the Service Level Agreement (SLA) to be concluded with the winning bidder.

8.4 Questions during Proposal Process

Enquiries regarding this RFP should be directed to **Supply Chain** (scm@salga.org.za), or **Lucky Nkomo** (lnkomo@salga.org.za) located at the SALGA National Office – 012 369 8185. Questions will only be taken up to 10 days before the closing of the bid.

Bidders finding apparent discrepancies or omissions in the RFP should notify scm@salga.org.za at once. Bidders may during the bidding period, be advised by Addenda, of any additions, clarifications, deletions or alterations to these specifications. All such changes should be covered by the bidder's proposal. Information used in the preparation of a proposal from other than this RFP and any written addenda (considered as the proposal documents) will not be considered as valid or official.

No further addenda will be issued by SALGA after 12:00 noon, ten business days prior to RFP closing without providing an extension of time.

8.5 Submission of Proposal

Submit Three hard copy of the proposal, in sealed envelope; together with an electronic version in a (labelled) USB flash drive or memory stick and clearly marked **“Request for Proposals for the Appointment of a Service Provider to provide licences, technical support and maintenance of Ornecy HCMS, integrated system to financial system and system enhancements services for a period of 60 months, Bid no: SALGA/02/2025”** to:

Ground floor

*South African Local Government Association (SALGA)
Menlyn Corporate Park
Block B; 175 Corobay Avenue
corner Garsfontein & Corobay Avenue
Waterkloof Glen ext. 11
PRETORIA
0181*

Proposals will be deposited in the tender box at the Ground floor, during regular business hours only, up to. Late submissions will not be accepted.

Bidders remain solely responsible for the method of conveyance of their proposal to the receiving point.
Fax transmissions or any other electronic submissions will not be accepted.

SALGA will not be responsible for any costs incurred by the bidders associated with the preparation of responses to the RFP.

Proposals received past the time stated above will not be considered and will be returned to the bidder unopened.

All proposals will remain in force and will be irrevocable for **One Hundred and Twenty (120)** after the proposal closing.
Proposals shall be stipulated sums without escalator clauses or other qualifications.

8.6 Contract Award

SALGA reserves the right to accept any proposal submitted or reject all proposals.

Any proposal submitted, that is not in complete compliance with the requirements of the proposal documents may be accepted or disqualified, at the option of SALGA.

It is anticipated that the successful bidder will be notified by

8.7 Termination of Contract

SALGA reserves the right to terminate the agreement with 30 days written notice to the winning bidder subject to the following:

- 8.7.1** the winning bidder fails to perform in accordance with the specified service requirements as set out in the TOR;
- 8.7.2** the winning bidder fails to provide project deliverables as defined in the terms of reference without written explanation;
- 8.7.3** the winning bidder otherwise violates the provisions of the TOR to a substantial degree.

8.8 Liability

SALGA will not be held liable for any actions of the winning bidder and/or its employees.

8.9 Important Dates

07 August 2025 – Non-compulsory briefing session @10H00 AM to 12:00 PM

15 August 2025 - Last day for questions

28 August 2025 - Proposal submissions due 11H00 AM

9. CONDITIONS OF BID (FAILURE TO MEET ANY OF THE REQUIREMENTS BELOW MAY RENDER YOUR BID PROPOSAL NON-RESPONSIVE)

- 9.1.** The requirement for content of the project proposal section below outlines the information that must be included in bid offers. **Failure to provide all or part of the information may result in your bid being excluded from the evaluation process.**
- 9.2.** A contract will be signed with the appointed Service Provider.
- 9.3.** The Service Provider will be required to sign confidentiality and indemnity agreements with SALGA.
- 9.4.** SALGA may at its own discretion vary an instruction to include more work.
- 9.5.** Failure to comply with any condition of this request for a proposal will invalidate respective tender proposal
- 9.6.** In the event that any conflict of interest is discovered during the assignment, SALGA reserves the right to summarily cancel the agreement and demand that all the information, documents and property of SALGA be returned forthwith.
- 9.7.** SALGA reserves the right to request new or additional information regarding each bidder and any individual or other persons associated with its project proposal.
- 9.8.** Bidders shall not make available or disclose details pertaining to their project proposal with anyone not specifically involved, unless authorized to do so by SALGA.
- 9.9.** Bidders shall not issue any press release, social media or other public announcement pertaining to the details of their project without the prior written approval of SALGA.
- 9.10.** Bidders are required to declare any conflict of interest they may have in the transaction for which the bid is submitted or any potential conflict of interest. SALGA reserves the right not to consider further any bid where such a conflict of interest exists or where such potential conflict of interest may arise.

- 9.11. The bid offers and proposals should be valid and open for acceptance by SALGA for a period of 120 days from the date of submission.
- 9.12. Bidders are advised that submission of a project proposal gives rise to no contractual obligations on the part of SALGA.
- 9.13. Disputes that may arise between SALGA and a bidder must be settled by means of mutual consultation, mediation (with or without legal representation) or, when unsuccessful, in a South African court of law.
- 9.14. In addition to adherence to the specific terms and conditions of proposals, provided in this document, the bidder shall be bound by the provisions of the General Conditions of Contract attached hereto, an originally signed copy of which must be submitted together with all other bid documentation.
- 9.15. All returnable bid documents must be completed in full and submitted together with the bidder's proposal.
- 9.16. SALGA will not be liable for costs incurred during the site visits or any other cost related to the submission of the bid.
- 9.17. Completion of the Standard Bidding Documents stated herein below is **mandatory**, failure to do so **may** render your bid offer invalid.
- 9.18. Standard Bidding Forms
- 9.18.1. Preference Points Claim form
- Form SBD 6.1 - Bidders must complete this document in full, special attention must be given to section 8 and 9. DO NOT RETYPE THESE FORMS. They must be completed on the original and signed, all in black ink.
- 9.18.2. Declaration of Interest
- Form SBD 4 - Bidders must complete this document in full. DO NOT RETYPE THESE FORMS. They must be completed on the original and signed, all in black ink.

10. EVALUATION

For the purpose of comparison and to ensure a meaningful evaluation, bidders must submit detailed information in substantiation of compliance with the evaluation criteria mentioned below. The bidder/s will be evaluated in three phases as stated below:

Phase 1	Pre-Compliance check on Mandatory requirements
Phase 2	Technical Functionality
Phase 3	Price and BBBEE Status Level contribution

PHASE 1: MANDATORY REQUIREMENTS FOR THE BIDDER

- a. The prospective bidder must be registered on Central Supplier Database (CSD) before submitting bids.

NB: Failure to adhere to the Mandatory requirements above will automatically disqualify your bid/s and will not proceed to Phase 2.

PHASE 2: TECHNICAL FUNCTIONALITY

For functionality, the following criteria will be applicable and the maximum value of points breakdown for each criterion using these scale level descriptors:

SCALE LEVEL DESCRIPTIONS	RATING
No relevant response or information given to enable evaluation	0
Very poor response based on expected standard	1
Poor response based on expected standard	2
Average response based on expected standard	3
Good response based on expected standard	4
Excellent response based on expected standard	5

Points Breakdown:

CRITERIA FOR FUNCTIONALITY	WEIGHT
Company Experience Experience in the implementation of, and/or migration to, ORNECY 5 points = 9 years and more; 4 points = 7 to 9 years 3 points = 6 to 7 years 2 points = 4 to 5 years 1 point = 1 to 3 years 0 points = less than 1 year	40
References The bidder must provide an approved award letter, Purchase Order, contract, or signed letter from the client, of previous Support and maintenance, and Enhancements of live/existing modules on OrneCY. References must show the following: • Name of Company • Contactable Contact Details: Contact Number and Email address • Project Description and Scope • Value of the contract • Duration of the project 5 points = 5 or more relevant project references provided; 4 points = 4 relevant project references provided; 3 points = 3 relevant project references provided; 2 points = 2 relevant project references provided; 1 point = 1 relevant project reference provided; 0 points = no reference provided	20

CRITERIA FOR FUNCTIONALITY	WEIGHT
A detailed execution approach for Maintenance, licensing and Enhancements: • Maintenance Approach: - Preventative Maintenance & Business Continuity; - Response times - Support Availability - Proactive Monitoring - Change Management • Licencing Approach: - Licensing Model - Compliance & Audits - Cost Transparency - Renewals and Upgrades • Enhancement Approach - Continuous Improvement (Innovation) - Customisation and Scalability - Release Management - User Acceptance Testing (UATs) - User training and Documentation - Risk Management Provide details with respect to how you intend to use “out of the box” thinking to bring innovation and improved ERP Solutions /Enhancements to existing and new solutions. Detailed project plan will be scored based on the following criteria: 0 point = No relevant response 1 point = Very poor response 2 points = Poor response 3 points = Average response – meet minimum requirements 4 points = Good response – More than required (Where one proposed innovation and improvement provided, proposed within the 1st 24 months) 5 points = Excellent response – More than required (Where more than two innovations and improvements provided, proposed within the 1st 12 months)	
	40
Total for functionality	100
Threshold	70

NB: Bidders who score 70 (average) points and above will be considered in phase 3 of the evaluation.

PHASE 3: PRICE AND BBBEE STATUS LEVEL CONTRIBUTION

The 80/20 points system will be used when evaluating this Request for Proposal.

The remaining 20 points will be allocated 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:

The maximum points for this tender are allocated as follows:

B-BBEE Status Level of Contributor	Number of points (80/20 system)
1	10
2	9
3	7
4	6
5	4
6	3
7	2
8	1
Specific Goals	
SMME's	4
100% Black Women owned	3
100 % Youth	3
Total Points	20

Phase 3 of evaluation will include the sum of the two criterions below:

CRITERIA	WEIGHT
Price	80
B-BBEE status level of contribution	10
Specific Goals	10
TOTAL	100

Bidders must submit proof of their B-BBEE status level of contributor. A bidder failing to submit proof of B-BBEE status level of contribution or is a non-compliant contributor to B-BBEE may not be disqualified but may only score points out of 80 for price, and score 0 points out of 20 for B-BBEE

11. GENERAL CONDITIONS

The following should be noted by interested parties:

- Intellectual property and ownership of all materials and products developed in the execution of the contract will be vested in SALGA.
- Materials and products may not be made available to any unauthorized person or institution or sold for profit without prior written consent from SALGA.

- On completion or termination of the agreement, all materials and products must be handed over to SALGA.
- No information concerning the tender or award of the tender may be made available by the bidder to other parties without prior consultation and written approval from SALGA.
- SALGA may at its own discretion vary this instruction to include more scope / work or to exclude work/service areas. In the case of the latter, the bidder shall not be entitled to claim for any work not required and may engage SALGA on the pricing of the additional work/ service proposed.
- All copyright and intellectual property rights that may result as a consequence of the work to be performed shall reside with SALGA and the service provider shall be required to sign an agreement of confidentiality.
- SALGA may dictate the framework in which documents (policies, plans, report etc.) shall be submitted; however the service provider should be able to submit a proposal on the lay-out of his/her choice for consideration by SALGA.
- SALGAs (general conditions of bid, contract and order) shall be applicable to this bid.
- The service provider shall be required to conclude and sign a Service Level Agreement (SLA) after the appointment.
- SALGA reserves the right not to award the bid to any bidder at its own discretion.

REVIEWED BYCHAIRPERSON: BID SPECIFICATION COMMITTEE

THE NATIONAL TREASURY

Republic of South Africa



GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT

July 2010

GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

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

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

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

TABLE OF CLAUSES

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

General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:
 - 1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
 - 1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 “Day” means calendar day.
 - 1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.
 - 1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.
 - 1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
 - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

- 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 "GCC" means the General Conditions of Contract.
- 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.
- 1.23 "SCC" means the Special Conditions of Contract.
- 1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such

obligations of the supplier covered under the contract.

- 1.25 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.

2. Application

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

- 4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

5. Use of contract documents and information; inspection.

- 5.1 The supplier shall not, without the purchaser’s prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The supplier shall not, without the purchaser’s prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier’s performance under the contract if so required by the purchaser.
- 5.4 The supplier shall permit the purchaser to inspect the supplier’s records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights

- 6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.

7. Performance security

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

8. Inspections, tests and analyses

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

analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

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

9. Packing

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

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental services

- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
 - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
 - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

- (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

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

14. Spare parts

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

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

15. Warranty

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

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

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

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

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take

such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

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

supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

23.4 If a purchaser intends imposing a restriction on a supplier or any

person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

may be due to him

25. Force Majeure

- 25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for insolvency

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

27. Settlement of Disputes

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

28. Limitation of liability

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

	(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
29. Governing language	29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
30. Applicable law	30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
31. Notices	31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
32. Taxes and duties	32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country. 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser. 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
33. National Industrial Participation Programme (NIP)	33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.
34 Prohibition of Restrictive practices	34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging). 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

- 34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.