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MPUMALANGA PROVINCIAL GOVERNMENT



DEPARTMENT OF PROVINCIAL TREASURY

BID NUMBER: TREA/002/26/MP

APPOINTMENT OF A SERVICE PROVIDER FOR A FIVE-YEAR CONTRACT FOR THE PROVISION OF BANKING SERVICES TO THE MPUMALANGA PROVINCIAL GOVERNMENT, WITH AND OPTION TO EXTEND

ISSUED BY:

Department of Provincial Treasury
Private Bag X11205
Mbombela
1200

NAME OF BIDDER:
TOTAL BID PRICE (all inclusive) :.....
(Also in words):
.....

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF CULTURE, SPORTS & RECREATION					
BID NUMBER:	TREA/002/26/MP	CLOSING DATE:	14 JULY 2026	CLOSING TIME:	12H00
APPOINTMENT OF A SERVICE PROVIDER FOR A FIVE-YEAR CONTRACT FOR THE PROVISION OF BANKING SERVICES TO THE MPUMALANGA PROVINCIAL GOVERNMENT, WITH AND OPTION TO EXTEND					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
MBOMBELA , Riverside Government Complex, Building No 9, Government Boulevard, Mbombela, 1200, PIET RETIEF , No. 11 Measroch Street, Piet Retief Office, KWAMHLANGA , KwaMhlanga Government Complex, Department of Finance, Building No. 12, Computer Centre SECUNDA No 5 Van Eck Street, Secunda (opposite Sasol Value Gas Garage) Secunda, 2280, BUSHBUCKRIDGE , Bushbuckridge Advice Centre, Department of Finance, Protea building (old Telkom building), MIDDELBURG , Department of Public Works, Cnr. Lillian Ngoyi and Dr Beyers Naudé Streets – Old TPA Building, Upper ground floor, Office numbers A20, 21 and 25, MALELANE , 24 Air Street, Malelane, ELUKWATINI , Elukwatini Sub Regional offices, Office numbers A49 and A50 (opposite Elukwatini Community Hall) Stand number 12 Extension A, Elukwatini 1192. SIYABUSWA Old Parliament Building, Building No.1, Job Skhosana Street, Siyabuswa 0472.					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	Mrs TC Mhlanga		CONTACT PERSON	Ms. D Mokonyama	
TELEPHONE NUMBER	013 766 4119		TELEPHONE NUMBER	013 766 4289	
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	celetc@mpg.gov.za		E-MAIL ADDRESS	dmokonyama@mpg.gov.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]	
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.					

**PART B
TERMS AND CONDITIONS FOR BIDDING**

1. BID SUBMISSION:
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.
1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).
2. TAX COMPLIANCE REQUIREMENTS
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

SIGNATURE OF BIDDER:

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

DATE:

APPOINTMENT OF A SERVICE PROVIDER FOR A FIVE-YEAR CONTRACT FOR THE PROVISION OF BANKING SERVICES TO THE MPUMALANGA PROVINCIAL GOVERNMENT, WITH AN OPTION TO EXTEND

1. PURPOSE

- 1.1. This tender is intended to invite service providers from commercial banking institutions within the borders of the Republic of South Africa to provide banking services to the Mpumalanga Provincial Government with an option to extend at the discretion of Mpumalanga Provincial Treasury.

2. BACKGROUND

- 2.1. The Mpumalanga Provincial Treasury, as custodian of the finances of the Mpumalanga Provincial Government, has an obligation to monitor the manner in which the government's funds are used by departments.
- 2.2. The Provincial Treasury is empowered through legislation to operate an account with any commercial banking institution in the country for the proper management of public funds.
- 2.3. Treasury Regulations 15.2.2 states that "each provincial revenue fund must have a bank account configuration that consists of at least an Exchequer bank account and a Paymaster-General bank account, opened with a commercial bank".
- 2.4. It is therefore against this background that proposals are invited from commercial banking institutions to cater for this function in ensuring that public funds are properly managed by Government institutions.

3. OBJECTIVE OF SERVICE

- 3.1. The main objective of the required service is to ensure that public funds are properly managed and kept in an institution which offers good service in terms of banking services and security.

4. SCOPE OF WORK

- 4.1. The proposed solutions to the required service should cater for the following areas:
 - 4.1.1 Transactional banking services;
 - 4.1.2 Electronic banking services;
 - 4.1.3 Cash management services;
 - 4.1.4 Foreign exchange services;
 - 4.1.5 Implementation and training;
 - 4.1.6 Cash Solutions
 - 4.1.7 Travel Lodge Card services/virtual Card
- 4.2. The information to be provided by any prospective bidder, in line with the above-mentioned areas, should also reflect the following proposed solutions as well:
 - 4.2.1 An efficient and cost-effective current account administration service;
 - 4.2.2 Enhanced business processes for improved efficiencies, resulting in reduced costs;
 - 4.2.3 Processes and controls to mitigate operational risk, unauthorised debits and fraud;

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- 4.2.4 Provision of 11 Paymaster General Accounts for the processing of payments and subsidiary accounts/
- 4.2.5 Provision of the Exchequer Account for the receipt of revenue
- 4.2.6 Provision of appropriate training and transfer of skills in all spheres of financial services, as may be required by the Provincial Treasury;
- 4.2.7 The ability to handle large volumes of transactions promptly.
- 4.2.8 Provision of a Virtual Travel Lodge Card solution for official accommodation bookings, approvals, reconciliation, and settlement, fully interfaced with Transversal systems and compliant with SITA requirements.
- 4.2.9 The bidder must provide a petty cash facility to cater for operational cash requirements

5. EXPECTED PERFORMANCE FROM PROSPECTIVE BIDDERS

- 5.1. All banking accounts of the Provincial Government are to be maintained at the banking institution's branch in Mbombela.
- 5.2. Bidders should provide a commitment to offer customized and sustainable banking services in relation to the Provincial Treasury's needs through dedicated service managers.
- 5.3. Bidders should provide electronic service for the processing of telegraphic transfers when required.
- 5.4. Bidders should have the ability to transmit confirmation requests to the Provincial Treasury by electronic means, e-mail, and telephone.
- 5.5. Any successful bidder should be able to provide statements on all accounts daily to the Mpumalanga Provincial Government.
- 5.6. Bidders are expected to be able to provide a deposit identifier on the Provincial Government's deposits, which incorporates a deposit identifier validation routine in order to facilitate identification and reconciliation of all deposits that are made into the Mpumalanga Provincial Government accounts.
- 5.7. The bank statement must reflect a clear summary of each charge, specifying both the number of transactions and the total charge amount for each charge item.
- 5.8. Bidders should have the ability to use real-time systems that provide cash management, payment, and receipts solutions. These solutions must have built-in efficiencies that result in a clear reduction in costs for the Provincial Treasury's administration and accounting functions, and improved controls, resulting in a reduction in operational risk and fraud.
- 5.9. The Bidders should be able to meet the Provincial Treasury's requirements in respect of Electronic Funds Transfer (EFT) for all salaries, creditors, and other payments.
- 5.10. The bidder must specify branches with tellers that accept cash deposits, including coins.
- 5.11. A successful bidder will enter into a service level agreement with the Mpumalanga Provincial Treasury
- 5.12. Provide support in capacitating youth through learnership and internship opportunities in partnership with the bank and SITA.
- 5.13. A successful bidder may be requested to assist MPG with the personnel verification process.

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- 5.14. Bidders are required to attend a compulsory briefing session at Nokuthula Simelane Building, Lower Ground Boardroom.
- 5.15. **The following are imperatives for the management of payments: -**
 - 5.15.1. Timeous and secure processing of all transactions
 - 5.15.2. Ability to interface (where required) with payroll and line-of-business applications currently being used
 - 5.15.3. Computer-based leased line or dial-up access
 - 5.15.4. Host connection via a dedicated line
 - 5.15.5. Stringent authorization and security controls
 - 5.15.6. Efficient management and reduction of risk processes
 - 5.15.7. Enhanced data integrity due to stringent validation controls; and
 - 5.15.8. Cost-efficient processes.
 - 5.15.9. The bidder must provide a virtual lodge card capability with configurable review, approval, and signatory workflow, including maker-checker-reviewer-authoriser controls aligned to delegated managers before any transaction is released.
 - 5.15.10. The solution must provide real-time status reporting, settlement files, and full audit trails for all lodge card transactions, approvals, amendments, disputes, chargebacks, and reversals.
- 5.16. The Provincial Treasury requires bidders to provide an online banking platform with real-time account balance and transaction enquiry capabilities, including real-time transaction searches and access to transaction history records for up to 365 calendar days. Payments to beneficiaries at other banks to be processed on a same-day value basis if effected by 16:00 during weekdays and 10:00 on Saturdays.
- 5.17. A nominated account facility to ensure that payments are only made to the beneficiaries that have been specifically loaded on a payment database (Central Supplier Database (CSD)), which is held on the system.
- 5.18. A successful bidder should make provision for an un-nominated account facility for one-off or batch payments.
- 5.19. Intra-group transfers for transfers between the Provincial Treasury's own bank accounts to be maintained by the service provider
- 5.20. Referencing to be available for all transactions, simplifying bank reconciliations.
- 5.21. The Bidders should have data-import capabilities.
- 5.22. Bidders should be able to provide for the automatic downloading of electronic banking statements for subsequent import to the Provincial Treasury's line of business systems in line with Provincial Treasury requirements.
- 5.23. Any successful bidder to ensure that all available options of communicating with the bank's mainframe are set out with costs in the proposal. A proposed host link option should be made available to the Provincial Treasury in order to facilitate high volume processing for electronic salary payments transfers, debit collections and electronic statements.
- 5.24. Successful bidder is expected to liaise with the Mpumalanga Provincial Government auditors team regarding solution processes and procedures in ensuring that operational risks are addressed.

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- 5.25. The cash management system by the service provider should play a role in optimizing cash balances and reducing costs associated with the management and movements of funds. The system must allow the Provincial Treasury to set up accounts and consolidate them at various reporting levels. The consolidation must allow for the set-off of debit and credit balances without a need to transfer balances daily from accounts that have surpluses to those accounts that are in overdraft.
- 5.26. There is a need for Bidders to provide details on the interest rates that would apply to the Mpumalanga Provincial Government.
- 5.27. There should be a competent support office staff to monitor and implement any changes to the Cash Management scheme that is required to ensure that on an ongoing basis the Mpumalanga Provincial Government requirements are fully met.
- 5.28. There should be competent staff to monitor and manage the implementation of cash solution devices in our various offices
- 5.29. The successful bidder must provide a seamless foreign exchange application and collection process, including a pre-approved facility, at the nominated branch. Foreign Exchange information should be made available online or electronically to designated Government Officials
- 5.30. It is required of the bidder to also offer a comprehensive range of lending to the Provincial Treasury.
- 5.31. There should be a money market desk in Mbombela, staffed by specialists who can provide money market information, opinions on interest rate views, and pricing of all money market products.
- 5.32. The Bidder should be able to provide the Provincial Treasury with access to overnight call loans for short term borrowing.
- 5.33. It is expected of the bidder to have the ability to transact telephonically with transactions concluded by mid-day to enable banks, investors and borrowers to manage their cash flow effectively.
- 5.34. It is expected of the Bidder to indicate the ability to interface financial management systems with those of the Mpumalanga Provincial Government.
- 5.35. It is a requirement for the bidder to be able to provide access to loans for periods up to 365 days and to have an interest rate applicable that could be either fixed or floating.
- 5.36. The bidder should put in place a dedicated team and project manager for all-inclusive seamless installation of all solutions, transactional banking solutions, electronic banking solutions, and employee personal preference package solutions
- 5.37. The bidder should identify training requirements and time-frame for the implementation of the different solutions.
- 5.38. **There should be a dedicated specialist electronic banking manager who should attend to the following:**
 - 5.38.1. The bidder must have dedicated personnel to ensure prompt turnaround times for queries and related support services.

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- 5.38.2. Identification of cash management, payments management and internet banking additional access requirements across the Treasury, including the institutional and remote requirements and installation thereof.
- 5.38.3. Liaising with appropriate officials regarding interfaces into the Treasury line of business application and MS Excel applications.
- 5.38.4. Identification, in consultation with the Provincial Treasury, of all access levels, authorities, profiles, and limits for officials requiring access to the electronic banking systems.
- 5.38.5. Attending to legal documentation and the signing thereof
- 5.38.6. Formalization of service level agreements incorporating backup procedures and processes, particularly about electronic funds transfers.
- 5.38.7. Identification of training requirements and arrangements of the necessary training in consultation with the Provincial Treasury and the provision of all user manuals.
- 5.38.8. Successful bidder will enter into a service level agreement with the Provincial Treasury on behalf of the Mpumalanga Provincial Government.
- 5.38.9. Bidders are expected to present their proposals, which are in line with the specification.

6. REQUIRED INFORMATION TO BE PROVIDED

6.1. All bidders are required to provide information on the following:

- 6.1.1. Latest set of audited financial statements
- 6.1.2. Most recent published credit rating report by an independent credit rating agency.
- 6.1.3. Countrywide branch network per province (location and number).
- 6.1.4. Countrywide ATM network and indicate all kinds of ATM per province.
- 6.1.5. Details of the following, in respect of the branch which will be designated as the home branch of the Provincial Treasury's main bank account: -
 - 6.1.5.1. Name and physical location.
 - 6.1.5.2. Management structure names and positions
 - 6.1.5.3. Staffing numbers and structures
 - 6.1.5.4. After-hours access to branch.
- 6.1.6. IT systems, back up facilities
- 6.1.7. Client training programmes and facilities
- 6.1.8. Details of relationship banking structure and operation
- 6.1.9. Social investment and employment equity programmes
- 6.1.10. Exposure to Provincial Government accounts.
- 6.1.11. Demonstration on how to assist the Mpumalanga Provincial Government on fraud prevention and indication of the measures to be undertaken in this regard.

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7. SCHEDULE OF RATES

- 7.1. Bidders are required to quote firm prices on their proposals.
- 7.2. Pricing shall be fixed for a period of one year and thereafter, the price increases can be negotiated at a CPI index.
- 7.3. The period for which the prices shall be effective, together with the dates of future annual reviews and their notice periods, shall be shown.
- 7.4. Any future increase on the prices during the five-year contract period shall be inflation linked.
- 7.5. Bidders are required to quote a formula, referenced to Statistics South Africa CPI index which shall be used for calculating any future annual price increases on the dates of annual review.
- 7.6. Separate prices shall be quoted and the method of their calculation, for each of the services identified on the terms of reference of this tender.
- 7.7. Any costs applicable to the implementation of new banking systems and procedures, including the cost of training the Mpumalanga Provincial Government staff, computer software and hardware etc., should be shown separately from transaction costs.

7.8. TEMPLATE FOR SCHEDULE OF RATES

	ITEM	Approx. No. of Transaction per annum	Cost per transaction/unit
	Deposits		
a.	Cash deposit fee per R100	10 00	
b.	Online deposit fee	500	
	Electronic Funds Transfer		
c.	Transfers of funds to PMG's bank accounts	45	
	Electronic Payments		
d.	Online payments to the same bank	1 425 00	
e.	Recall of transaction	30	
f.	Real-time payments	100	
g.	Tracing/ verification of transactions	5	
h.	EFT Unpaid	8000	
	Manual Payments & Transfers		
i.	Manual payments	500	
	Online banking		
j.	Subscription fees	-	
k.	Set-up fee and sub accounts on request	12 accounts	

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	ITEM	Approx. No. of Transaction per annum	Cost per transaction/unit
l.	Service Fee	12 Accounts x 12 months	
m.	Access for users	60 users	
n.	Re-issue of passwords/ per user		
o.	Training of users	60 users	
	Auto safe Devices		
p.	Installation fee	-	
q.	Rental fee & CIT (including coins)		
r.	Insurance (top of the counter)		
	Non-cash Devices (Speed points)		
s.	Installation fee	-	
t.	Rental fee	600	
	Payments & Receipts from Foreign Entities		
u.	Payment to a foreign entity	4 x p.a.	
v.	Receipt from a foreign entity	500	
	Other Charges		
w.	Supply of deposit books	11 Accounts	
x.	Daily bank statement	11 Departments and exchequer account	
y.	Enquiries/requests for information	280	
z.	Service Fee	All Accounts	
	Travel Lodge Card		
	Service fees		
	Transaction fees	Per transaction	
	Interest charges on overdue payments (if any)	%	
	System integration/setup costs	Per Department (11 Departments)	
	TOTAL COST		

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8. DURATION OF CONTRACT

8.1. This contract shall run for a period of five (5) years.

9. EVALUATION CRITERIA

- 9.1. All proposals received will be subjected to an evaluation process in terms of the provision of the Preferential Procurement Policy Framework Act (PPPFA) and its associated regulations.
- 9.2. Responsive bids will be adjudicated by the Department on the 80/20 preference point system . Only bids that have met the Phase I requirements shall be evaluated under Phase II in terms of the 80/20 preference points system. During this stage, the 80 points will be allocated for price only whereas the 20 points are for the specific goals.
- 9.3. The lowest acceptable bid shall obtain the maximum percentage allocated for price. All other bids with higher prices shall proportionately obtain lower percentages.

The final points that will guide the selection of a preferred bidder shall be calculated as follows:

$$P_s = 80 \left[\frac{1 - \frac{P_t - P_{\min}}{P_{\min}}}{P_{\min}} \right]$$

Where:

P_s = Points scored for comparative price of tender or offer under consideration

P_t . = Comparative price of tender or offer under consideration and

P_{\min} = Comparative price of lowest acceptable tender or offer

Note: The preference claim forms are included as part of the standard bidding document.

A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender.

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Points will also be awarded to a bidder for attaining the specific goal specified of contributor:

Description	80/20
Enterprises that are at least 51% that have historically disadvantaged persons such as Black persons (as defined by BBBEE Act)	10 points
Enterprises that are at least 51% women-owned	6 points
Enterprises that are at least 51% owned by disabled persons	2 points
Enterprises with at least a 51% ownership by Youth	2 points

- 9.4. Any proposal which fail to meet the requirements as set out will be deemed non-responsive and automatically eliminated during the first stage of the evaluation process.
- 9.5. Apart from the evaluation criteria indicated below, the second stage of the evaluation process requires all proposals to be subjected to compliance with the functionality, which weighs a maximum of 100 points.
- 9.6. Any proposal that scores less than 60 points out of the maximum 100 points allocated for functionality will be deemed non-responsive and automatically disqualified.
- 9.7. The 100 maximum points allocated for functionality will be broken down to cover the areas as indicated below:

Key Elements	Maximum weight
Transactional banking services provided	46
Integrate MPT systems with electronic online banking system platforms	41
Partnership Projects	13
Total Weight	100
Minimum threshold	60

No	Evaluation Criteria	Maximum Weight
10.	<u>TRANSACTIONAL BANKING SERVICES PROVIDED</u>	46
	10.1. Implementation of tasks as per the Project Plan Timelines: <ul style="list-style-type: none"> • Creating all banking accounts according to the required Mpumalanga Provincial Treasury (MPT) portfolio structure; functionality of bank accounts and Deposit books according to requirements as per the TOR • Cash Management Structure • Electronic Banking • Travel lodge card • Speedpoints, AutoSaves, and Corporate cards 	8

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No	Evaluation Criteria	Maximum Weight
	<ul style="list-style-type: none"> • International Banking • Marketing Strategy • Petty Cash facility 	
	10.2. Account Verification process and turnaround times	2
	10.3. Ability to provide bank statements as per the TOR	5
	10.4. Ability to create transactional referencing as per the MPT requirements in the TOR	10
	10.5. Ability and process to meet MPT requirements for lifting of limits (item/aggregated limits) upon notification by Mpumalanga Provincial Treasury as per the TOR.	6
	10.6. Ability to demonstrate value-adding innovative solutions that will assist the MPT to become a cashless environment by presenting practical solutions and/or simulation of such solutions.	5
	10.7. The structure of the relationship management team with escalation levels and qualifications and experience of the relationship management team	10
11.	<p><u>INTEGRATE MPT SYSTEMS WITH ELECTRONIC ONLINE BANKING SYSTEM PLATFORMS</u></p> <p>The online banking platform should meet the category below as outlined in the Terms of Reference (TOR)</p>	41
	<p>11.1. Capability of the system</p> <p>The system should have the capability that will allow the MPT to upload and authorize payments/transfers.</p>	8
	11.1.1. Electronic banking systems that can interface daily with transversal systems, and other financial systems;	2
	11.1.2. A proposed host link option to be made available to the Mpumalanga Provincial Government to facilitate high volume processing for electronic salary payments, creditor payments, funds transfers, and electronic statements;	2
	11.1.3. The Bidder must demonstrate the change control methodology and fallback procedure that will be followed, should the outcome of the change be different from the expected results	2
	11.1.4. Data import capabilities allowing unique references for all transactions	1
	11.1.5. Referencing validations on deposits to relevant bank accounts	1

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No	Evaluation Criteria	Maximum Weight
	<p>11.2. <u>Security</u></p> <p>The ability to authenticate all system transactions to eliminate unauthorized access.</p>	11
	11.2.1. The ability to safeguard provincial resources and mitigate the risk of cyber fraud and unauthorised debits	2
	11.2.2. Adequate controls to prevent duplicate transactions from being processed;	2
	11.2.3. Recognise unique passwords for a predetermined period, and accommodate complex passwords such as numeric, alphanumeric, and case sensitivity;	1
	11.2.4. Security features that enable the user permission to be restricted to specific times, inclusive of a trusted profile;	1
	11.2.5. The system must also protect data by having "session control" capability when the system is idle;	1
	11.2.6. Automated de-activation of the online system during the festive season and pre-determined long weekends to be done by the MPT System Administrators	2
	11.2.7. System de-activation functionality to be automated if user has not logged in for more than 30 days	2
	<p>11.3. <u>Processing/Operational</u></p> <p>Ability to enable the smooth running of operations by enabling conditions as outlined below:</p>	4
	11.3.1. Multiple search functions to ensure efficient data query and extraction	1
	11.3.2. Must have a point as a decimal and a comma as a separator for amounts, e.g., R500, 000, 000.20 and not 500000000.20.	1
	11.3.3. The system must have internal controls over data entry, transaction processing, and reporting that are applied consistently across the entire system;	1
	11.3.4. Automatic downloading of electronic banking statements for subsequent import to the Mpumalanga Provincial Government line of business systems	1

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No	Evaluation Criteria	Maximum Weight
	<p>11.4. <u>User Access Management</u></p> <p>Ability to enable system users to assume a specific function across the application and evaluate access control against the given system identity.</p>	4
	11.4.1 Incorporate a unique key whenever a user is created in order to avoid duplication e.g. ID or Persal number.	1
	11.4.2 Recognise predetermined structures as per specified function or user access roles	1
	11.4.3 Access to all functionality in the system must be centralized via a 'Security Manager' function. The 'Security Manager' will control the access a user has to the various functions in the system. It will control what tasks the user can perform, what data a user can view/update/insert, whether the user can print or export, and set financial limits on the user, but not limited to.	2
	<p>11.5. <u>Reporting</u></p> <p>Ability to have various reporting capabilities will enable better decision-making.</p>	14
	11.5.1 The capability to have a detailed user activity report, enabling the identification of all transaction's processed on the system i.e. Generate transaction audit trails for all users, including tracking of user IP addresses	2
	11.5.2 Generate exception reports based on predetermined thresholds	2
	11.5.3 Provide a monthly report on the performance of the system. The system must operate effectively and timeously; it must be designed to meet the operational requirements in which the province will operate, which include 100% uptime system reliability, fast recoverability, response time measured in a few seconds, high levels of security and ease of use	2
	11.5.4 Online access for viewing transactions and bank statements by Provincial Departments for one hundred and eighty (365) days	2
	<p>11.5.5 Report types available online such as, but not limited to the following:</p> <ul style="list-style-type: none"> • Payment Detail Report; • User activity report - All actions performed by any user must be recorded in the Audit Log and be accessible by authorized users. 'All actions performed by any user' includes creating, deleting, updating, or viewing of any data. • Autosafe 	6

APPOINTMENT OF A SERVICE PROVIDER FOR A FIVE-YEAR CONTRACT FOR THE PROVISION OF BANKING SERVICES TO THE MPUMALANGA PROVINCIAL GOVERNMENT, WITH AN OPTION TO EXTEND

No	Evaluation Criteria	Maximum Weight
	<ul style="list-style-type: none"> • Merchant devices (speed points) 	
12.	<u>PARTNERSHIP PROJECTS</u>	13
	12.1. Financial Literacy Training to Mpumalanga Provincial Treasury Staff	3
	12.2. Programme to support, develop and lend money to SMME's in partnership with Mpumalanga Government, other community development initiatives and Mpumalanga Provincial Government.	7
	12.3. Preferential Mpumalanga Government Staff Solutions	3
APPLICABLE VALUES: 1 = Poor, 2 = Average, 3= Good, 4= Very Good		

13. SPECIAL CONDITIONS OF TENDER

- 13.1. Any proposal that scores less than 60 points out of the 100 points which is allocated for functionality will be regarded as non-responsive and will be automatically disqualified.
- 13.2. An Tax Clearance Certificate Pin issued by the South African Revenue Service should accompany the proposal.
- 13.3. All prices quoted in the proposal should be VAT (Value Added Tax) inclusive.
- 13.4. A proposal that does not respond to the scope of work will be regarded as non-responsive and will not qualify to be subjected to the next stage of the evaluation process.
- 13.5. Only suppliers registered on the Central Supplier Database (CSD) will be considered.
- 13.6. Bidders may be expected to come and make presentations.
- 13.7. The bidder may be expected to set up the system within three (3) months from the date of appointment.
- 13.8. The Special Conditions of Contract are supplementary to the General Conditions of Contract. Where the Special Conditions of Contract are in conflict with the General Conditions of Contract, the latter take precedence. The Department reserves its right to disqualify any bidder who:
 - a. 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;
 - b. seeks any assistance, other than assistance officially provided by a government entity, from any employee, advisor or other representative of a government entity in order to obtain any unlawful advantage in

APPOINTMENT OF A SERVICE PROVIDER FOR A FIVE-YEAR CONTRACT FOR THE PROVISION OF BANKING SERVICES TO THE MPUMALANGA PROVINCIAL GOVERNMENT, WITH AN OPTION TO EXTEND

relation to procurement or services provided or to be provided by the Department;

- c. makes or offers any gift, gratuity, anything of value or other inducement, whether lawful or unlawful, to any of the Department officials, directors, employees, advisors or other representatives;
- d. 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 by the Department;
- e. pays or agrees to pay 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 by the Department;
- f. has in the past engaged in any matter referred to above; or has been found guilty in a court of law on charges of fraud and/or forgery.

13.9 MISREPRESENTATION DURING THE LIFE CYCLE OF THE CONTRACT

Misrepresentations in a bid may give rise to the termination of the contract and a claim by the Department against the contractor, its employees or agents under any obligation whatsoever. Including in respect of costs, expenses or losses incurred by the bidder(s) in the preparation of his/her response to this bid.

13.10. INDEMNITY

If a bidder breaches the conditions of this bid and, as a result of that breach, incurs costs or damages (including the cost of any investigation, procedural impairment, enforcement of intellectual property rights or confidentiality obligations), then the contractor shall indemnify the Department for any damages or harm and all such costs that the contractor may incur.

Equally, a bidder(s) participates in this bid process entirely at his/her own cost and related risks. The Department shall not be liable for any cost incurred or damages suffered as a result of the bidder's participation in the bidding process.

APPOINTMENT OF A SERVICE PROVIDER FOR A FIVE-YEAR CONTRACT FOR THE PROVISION OF BANKING SERVICES TO THE MPUMALANGA PROVINCIAL GOVERNMENT, WITH AN OPTION TO EXTEND

13.11. PRECEDENCE

This document shall prevail over any form of information that may have been provided during any briefing session (whether oral or written) unless such written information expressly amends the contents of this document.

13.12. VALIDITY PERIOD

The validity period of the bid is **120 days**. Any time or date in this bid is subject to change at the discretion of the Mpumalanga Provincial Treasury. The bidder(s) accepts that if the Department extends the deadline for submission (i.e. closing date) for any reason, the terms and conditions of this bid shall apply equally to the extended period.

13.13. DEFAULTERS AND RESTRICTED SUPPLIERS

The bid shall not be awarded to a bidder(s) whose name or any of his/her company members, directors, partners or trustees are regarded as defaulters and/or appear on the Register of Defaulters or List of Restricted Suppliers.

13.14. LATE BIDS

Bids received after the closing date and time, at the address indicated in the bid documents, will not be considered and where practical, will be returned unopened to the bidder(s).

13.15. RIGHTS RESERVED

The Mpumalanga Provincial Treasury reserves the rights, as follows:

- Reject an award of a specific category where responses are found to be unsubstantial by the evaluating panel;
- To appoint single or multiple service providers subject to the assessment.
- Invite shortlisted service providers to present their bid proposals for final decision.
- Reserves the right not to appoint the lowest bid
- Reserves the right to cancel the bid
- Reserves the right to negotiate price with the appointed bidder
- Reserves the right to accept whole or part of the bid or split the bid
- Reserves the right to terminate the contract due to underperformance
- The onus lies with the bidder to provide adequate and verifiable information.



Application for a Tax Clearance Certificate

Purpose

Select the applicable optionTenders Good standing

If "Good standing", please state the purpose of this application

Two empty text boxes for stating the purpose of the application.

Particulars of applicant

Name/Legal name (Initials & Surname or registered name)

Trading name (if applicable)

ID/Passport no Company/Close Corp. registered no

Income Tax ref no PAYE ref no 7

VAT registration no 4 SDL ref no L

Customs code UIF ref no U

Telephone no Fax no

E-mail address

Physical address

Postal address

Particulars of representative (Public Officer/Trustee/Partner)

Surname

First names

ID/Passport no Income Tax ref no

Telephone no Fax no

E-mail address

Physical address

Particulars of tender (If applicable)

Tender number

Estimated Tender amount R

Expected duration of the tender year(s)

Particulars of the 3 largest contracts previously awarded

Date started	Date finalised	Principal	Contact person	Telephone number	Amount
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Audit

Are you currently aware of any Audit investigation against you/the company? YES NO
 If "YES" provide details

Appointment of representative/agent (Power of Attorney)

I the undersigned confirm that I require a Tax Clearance Certificate in respect of Tenders or Goodstanding.

I hereby authorise and instruct to apply to and receive from SARS the applicable Tax Clearance Certificate on my/our behalf.

Signature of representative/agent

--

Date

Name of representative/agent

Declaration

I declare that the information furnished in this application as well as any supporting documents is true and correct in every respect.

Signature of applicant/Public Officer

--

Date

Name of applicant/Public Officer

Notes:

- It is a serious offence to make a false declaration.
- Section 75 of the Income Tax Act, 1962, states: Any person who
 - fails or neglects to furnish, file or submit any return or document as and when required by or under this Act; or
 - without just cause shown by him, refuses or neglects to-
 - furnish, produce or make available any information, documents or things;
 - reply to or answer truly and fully, any questions put to him ...
 As and when required in terms of this Act ... shall be guilty of an offence ...
- SARS will, under no circumstances, issue a Tax Clearance Certificate unless this form is completed in full.**
- Your Tax Clearance Certificate will only be issued on presentation of your South African Identity Document or Passport (Foreigners only) as applicable.

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

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

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

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

2.2.1 If so, furnish particulars:

.....
.....

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

2.3.1 If so, furnish particulars:

.....
.....

3 DECLARATION

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

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

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

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

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

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

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

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

**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

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.
- b) 80/20 preference point system will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

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
Total points for Price and SPECIFIC GOALS	100

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 either of a tenderer, 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.
- 1.7 Bidders who wish to claim points in terms of table 4.2 below need to provide proof for each point claimed as guided below:
- Enterprises that are at least 51% that have historically disadvantaged persons such as Black persons (as defined by BBBEE Act)– **attach certified copy of identity document (ID) and company registration document / CSD report to show/ substantiate percentage ownership equity.**
 - Enterprises that are at least 51% women-owned - **attach certified copy of identity document (ID) and company registration document / CSD report to show/ substantiate percentage ownership equity.**
 - Enterprises that are at least 51% owned by disabled persons – **attach doctor’s letter confirming the disability**
 - Enterprises with at least a 51% ownership by Youth - **attach certified copy of identity document (ID) and company registration document / CSD report to show/ substantiate percentage ownership equity.**

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

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

Where

- P_s = Points scored for price of tender under consideration
 P_t = Price of tender under consideration
 P_{min} = 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:

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

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 (80/20 system)	Percentage ownership equity (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
I. Enterprises that are at least 51% that have historically disadvantaged persons such as Black persons (as defined by BBBEE Act)	10 points		
II. Enterprises that are at least 51% women-owned	6 points		
III. Enterprises that are at least 51% owned by disabled persons	2 points		
IV. Enterprises with at least a 51% ownership by Youth	2 points		

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.

<p>.....</p> <p>SIGNATURE(S) OF TENDERER(S)</p>
<p>SURNAME AND NAME:</p>
<p>DATE:</p>
<p>ADDRESS:</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>

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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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.

16. Payment

- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices

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

18. Contract amendments

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

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier's performance

- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the

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

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

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

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

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

may be due to him

25. Force Majeure

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

26. Termination for insolvency

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

27. Settlement of Disputes

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

28. Limitation of liability

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

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

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