



SOUTH AFRICAN LOCAL
GOVERNMENT ASSOCIATION

SALGA

Inspiring service delivery

REQUEST FOR EXPRESSION OF INTEREST: PROPOSALS OF TRAVEL MANAGEMENT COMPANY WITH AN ONLINE TRAVEL BOOKING SYSTEM TENDER SOLUTIONS TO IMPROVE SERVICE DELIVERY WITHIN LOCAL GOVERNMENT

BID NO: SALGA/04/2023

Closing date and time: 15 June 2023 at 11h00

Bid Validity Period: 120 Days

TENDER BOX ADDRESS:

Menlyn Corporate Park

C/o Garsfontein and Corobay Avenue

Waterkloof Glen

TEL: (012) 369 8000

EMAIL: scm@salga.org.za

WEBSITE: www.salga.org.za

1. DEFINITIONS

- a) **Accommodation:** means the rental of lodging facilities while away from one's place of abode, but on authorised official duty.
- b) **After-hours service** refers to an enquiry or travel request that is actioned after normal working hours, i.e., 17h00 to 8h00 on Mondays to Fridays and twenty-four (24) hours on weekends and public holidays
- c) **Air travel** means travel by airline on authorised official business.
- d) **Authorising Official** means the employee who has been delegated to authorise travel in respect of travel requests and expenses, e.g. line manager of the traveller.
- e) **Car Rental** means the rental of a vehicle for a short period of time by a Traveller for official purposes.
- f) **Department** means the organ of state, Municipality, Department or Public Entity that requires the provision of travel management services.
- g) **Domestic travel** means travel within the borders of the Republic of South Africa.
- h) **Emergency service** means the booking of travel when unforeseen circumstances necessitate an unplanned trip or a diversion from original planned trip.
- i) **g-Commerce** refers to the Government's buy-site for transversal contracts.
- j) **International travel** refers to travel outside the borders of the Republic of South Africa.
- k) **Lodge Card** is a credit card which is specifically designed purely for business travel expenditure. There is typically one credit card number which is "lodged" with the Time Management Company (TMC) at to which all expenditure is charged for the entity, department, or municipality.
- l) **Management Fee** is the fixed negotiated fee payable to the TMC in monthly instalments for the delivery of travel management services, excluding any indirect service fee not included in the management fee structure (visa, refund, frequent flyer tickets etc).
- m) **Merchant Fees** are fees charged by the lodge card company at the point of sale for bill back charges for ground arrangements.
- n) **Quality Management System** means a collection of business processes focused on consistently meeting customer requirements and enhancing their satisfaction. It is expressed as the organizational structure, policies, procedures, processes and resources needed to implement quality management.
- o) **Regional travel** means travel across the border of South Africa to any of the SADC Countries, namely, Angola, Botswana, Democratic Republic of Congo (DRC),

Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, Swaziland, United Republic of Tanzania, Zambia and Zimbabwe.

- p) **Service Level Agreement (SLA)** is a contract between the TMC and, entity, department or municipality, Government that defines the level of service expected from the TMC.
- q) **Shuttle Service** means the service offered to transfer a Traveller from one point to another, for example from place of work to the airport.
- r) **Third party fees** are fees payable to third party service providers that provide travel related services on an ad hoc basis that is not directly provided by the TMC. These fees include visa fees and courier fees.
- s) **Transaction Fee/ Service fee** means the fixed negotiated fee charged for each specific service type e.g. international air ticket, charged per type per transaction per traveller.
- t) **Traveller** refers to a municipal official, government official, Councillors, Guests, Consultant or contractor travelling on official business on behalf of municipalities.
- u) **Travel Authorisation** is the official form utilised by Government reflecting the detail and order number of the trip that is approved by the relevant authorising official.
- v) **Travel Booker** is the person coordinating travel reservations with the TMC consultant on behalf of the Traveller, e.g. the personal assistant of the traveller.
- w) **Travel Management Company** or TMC refers to the Company contracted to provide travel management services (Travel Agents).
- x) **Travel Voucher** means a document issued by the Travel Management Company to confirm the reservation and/or payment of specific travel arrangements.
- y) **Value Added Services** are services that enhance or complement the general travel management services e.g. Rules and procedures of the airports.
- z) **VAT** means Value Added Tax.
- aa) **VIP or Executive Service** means the specialised and personalised travel management services to selected employees of Government by a dedicated consultant to ensure a seamless travel experience.

2. 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. SALGA is managed within the framework of the Public Finance Management Act (Act 1 of 1999). 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.

3. SALGA MANDATE

The Constitution of the Republic of South Africa (1996) established three distinctive, interdependent, and interrelated spheres of government. Section 152 of the Constitution of the Republic of South Africa, 1996 calls for national and provincial government to support local government, while Section 163 recognises Organised Local Government (OLG) as the legitimate voice of local government. The Constitution further outlines the following objectives of Local Government:

- a) Provide local communities with democratic and accountable government.
- b) Ensure the provision of services to communities in a sustainable manner.
- c) Promote social and economic development.
- d) Promote a safe and healthy environment.
- e) Encourage the involvement of communities and community organisations in the matters of local government.

Resulting from the OLG Act, 52 of 1997, the White Paper on Local Government was written and adopted as a new policy for local government. This White Paper lay the foundation for a post-apartheid system of local government as one of the most important policy statements on the role of local government. Adopted before promulgation of any local government legislation,

the White Paper built on the objectives of local government and recognised SALGA as the body established by the OLGA. According to the White Paper, SALGA is required to:

- Make provision of specialised services to strengthen capacity of LG.
- Research and information dissemination.
- Facilitate shared learning between municipalities.

Further, the Municipal Systems Act, 2000 (Section 3), provides that SALGA must seek to: -

- develop common approaches for local government as a distinct sphere,
- find solutions for problems that relate to local government generally,
- enhance co-operation; mutual assistance & sharing of resources between municipalities, and
- Facilitate compliance with the principles of cooperative governance & intergovernmental relations.

SALGA, as the fully recognised Organised Local Government Association, fulfils six mandates towards the transformation of local government. The most popular of these mandates, directed by the largest number of key performance indicators in the SALGA Annual Performance Plans, is that of providing support and advice to local government.

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. 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:

- a) **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.

- b) **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.
- c) **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.
- d) **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
- e) **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.
- f) **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.

4. PURPOSE

The purpose of this document is to call for proposals from service providers that will partner with SALGA through its Business Development in the roll-out of the fully automated online travel management booking system in the sector. The service provider will form part of SALGA's Panel of Innovation and Solutions which continually seeks solutions that could improve service delivery, lower costs, transform municipalities towards a digitised world and Fourth Industrial Revolution(4IR). The appointed bidder/bidders will partner with SALGA in mutual beneficial arrangement in which revenue share shall be the basis. The solution will have to deliver value for SALGA's members and result in lowering costs and significantly improving the travel management process in municipalities.

The solution sought will have to be aligned with the policies of each municipality considering the various, different, and divergent delegation of authority. The solution will have to facilitate enhanced compliance with all the National Treasury guidelines and instruction notes currently in.

5. INVITATION FOR ONLINE BOOKING TRAVEL MANAGEMENT SYSTEM

SALGA invites players in the Online Travel Booking systems that can align with municipal travel management policies, National Treasury's regulations and Instruction Notes, Municipal Finance Management Act 56 of 2003, Public Finance Management Act 1 of 1999. The appointed solution provider will be required to enter into a revenue share contact with SALGA without shifting any costs to municipalities/ department to entities that seek to participate in such a arrangement. The solutions received will be placed in SALGA Solutions-Panel wherein SALGA could explore, utilize, or deploy at municipalities.

The Online Travel Management systems responds directly to the Fiscal and Financial Management imperative because of its potential to save costs based on economies of scale facilitation and reporting, improvement travel approval processes through an automated system, mitigate against irregular expenditure and assist the SALGA in influencing policy changes for the entire sector in this area of management.

6. SCOPE OF SERVICES

6.1.1 Background

There are various travel management companies in the sector which service municipalities, however all travel management companies are using their own systems, and these are largely manual in nature. Through this tender processes SALGA is seeking to automate and digitize the process around travel management in the sector with the sole objective of realising efficiencies in this cost item for the sector as whole and improving governance around travel management.

SALGA's primary objective in issuing this RFP is to enter into agreement with a successful bidder(s) who will achieve the following:

- a) Provide the Sector with the travel management services that are consistent and reliable and will maintain a high level of traveller satisfaction both local, regional, and international in line with the service levels.
- b) Achieve significant cost savings for the sector without any degradation in the services.
- c) Appropriately contain the Sector's 's risk and traveller risk.

In responding to this process, the service providers shall:-

- i. have a fully operational Online Travel Booking system;
- ii. have the applicable certifications to operate a Travel Management Company;
- iii. meet all the financial requirements and liquidity prescriptions that are set for a Travel Management Company;
- iv. integrate with the existing systems of municipalities;
- v. adapt with the current approval policies in municipalities and public entities;
- vi. clearly describe the problem in local government that hinders effective service delivery which the solution seeks to resolve in the travel management space; and
- vii. clearly outline the proposed solution(s) regarding how to resolve the identified problem.
- viii. provide a proposal of the revenue share model that will be entered with SALGA based on the fees / revenues generated.

To assess the responses, a phased approach process has been agreed upon. potential Service providers are encouraged to familiarize themselves with the evaluation criteria and ensure that their proposals are addressing relevant areas contained therein and in the above listing,

7. BIDDER REQUIREMENTS

The bidder will be expected to demonstrate technical ability and capacity to undertake an assignment of this complexity.

Minimum requirements

The following requirements are crucial -under the above scope of service:

7.1 Service Requirements

7.1.1 General

The successful bidder will be required to provide travel management services. Deliverables under this section include without limitation, the following:

- a. The travel services will be provided to all Travellers travelling on through SALGA to / municipalities, entities, or departments locally and internationally. This will include employees and councillors' contractors, consultants.

- b. Provide travel management services during normal office hours (Monday to Friday 8h00 – 17h00) and provide after hours and emergency services.
- c. Familiarisation with current travel suppliers and negotiated agreements that are in place within municipalities/ entities/ departments and third parties. Assist with further negotiations for better deals with travel service providers.
- d. Familiarisation and understanding SALGA/municipalities/ entities/ departments **Travel Policy and Procedure** and implementations of controls to ensure compliance.
- e. Penalties incurred because of the inefficiency or fault of a travel consultant will be for the TMC's account, subject to the outcome of a formal dispute process.
- f. Online system must provide a facility for municipalities/ entities/ departments to update their travellers' profiles.
- g. Manage the third-party service providers by addressing service failures and complaints against these service providers.
- h. Consolidate all invoices from travel suppliers.
- i. Provide a detailed transition plan for implementing the service without service interruptions and engage with the incumbent service provider to ensure a smooth transition.
- j. Provide the reference letters from at least three (3) contactable existing/recent clients (within past 3 years) where an Online Travel Management system has been implemented
- k. The bidder must be a member of ASATA (Association of South African Travel Agents). Proof of such membership must be submitted with the bid at closing date and time.
- l. The Online system must be fully owned or fully licensed without any limitations that could impact on the usage thereof by SALGA.
- m. Expressly agree in the bidding document that the deployment of the Online Systems in the local government sector will go under the name of "**SALGA Travel**" as the product will be provided through SALGA.

7.1.2 Reservations

The Online Travel Management Company shall inter alia be able to:

- a. Receive travel requests from travellers and/or travel bookers, respond with quotations (confirmations) and availability. Upon the receipt of the relevant approval, the travel agent will issue the required e-tickets and vouchers immediately and send it to the travel booker and traveller via sms, and or email format.
- b. always endeavour to make the most cost-effective travel arrangements based on the request from the traveller and/or travel booker.
- c. electronically apprise themselves of all travel requirements for destinations to which travellers will be travelling and advise the Traveller of alternative plans that are more cost effective and more convenient where necessary.
- d. obtain a minimum of three (3) quotation price comparisons for all travel requests where the routing or destination permits.
- e. electronically book the negotiated discounted fares and rates where possible.
- f. In an automated system must keep abreast of carrier schedule changes as well as all other alterations and new conditions affecting travel and make appropriate adjustments for any changes in flight schedules prior to or during the traveller's official trip. When necessary, e-tickets and billing shall be modified and reissued to reflect these changes.
- g. Provide reports electronically on all the travel costs incurred periodically as determined
- h. respond timely and process all queries, requests, changes, and cancellations timeously and accurately.
- i. to facilitate group bookings (e.g., for meetings, conferences, events, etc.)
- j. electronically must issue all necessary travel documents, itineraries, and vouchers timeously to traveller(s) prior to departure dates and times.
- k. advise the Traveller of all visa and inoculation requirements well in advance.
- l. assist with the issuing of travel insurance for international trips where required.
- m. facilitate any reservations that are not bookable on the Global Distribution System (GDS).
- n. note that, unless otherwise stated, all cases include domestic, regional, and international travel bookings.
- o. Visa applications will not be the responsibility of the TMC; however, the relevant information must be supplied to the traveller(s) where visas will be required.

- p. Negotiated airline fares, accommodation establishment rates, car rental rates, etc, that are negotiated directly or established by National Treasury are **non-commissionable**, where commissions are earned for SALGA/municipalities/entities/ departments bookings all these commissions should be returned to SALGA or municipality/ entity/ department on a quarterly basis .
- q. Ensure confidentiality in respect of all travel arrangements and concerning all persons requested by. SALGA/municipalities/ entities/ departments.
- r. Timeous (within 14 of travel days of travel) submission of proof that services have been satisfactorily delivered (invoices) respective client being serviced under this contract

7.1.3 Air Travel

- a. The TMC must be able to book full-service carriers as well as low cost carriers.
- b. The TMC will book the most cost-effective airfares possible for domestic travel.
- c. For international flights, the airline which provides the most cost effective and practical routings may be used.
- d. The TMC should obtain three or more price comparisons where applicable to present the most cost effective and practical routing to the Traveller booker and Travel Co-ordinator.
- e. The airline ticket should include the applicable airline agreement number as well as the individual loyalty program number of the Traveller (if applicable).
- f. Airline tickets must be delivered electronically (SMS and/or email format) to the traveller(s) and travel bookers promptly after booking before the date of departure.
- g. The TMC will be responsible for the tracking and management of unused e-tickets as per agreement with the institution and provide a report on refund management once a quarter.
- h. The TMC must during their report period provide proof that bookings were made against the discounted rates on the published fares where applicable.
- i. Ensure that travellers are always informed of any travel news regarding airlines (like baggage policies, checking in arrangements, etc.)

7.1.4 Accommodation

- a. The TMC will obtain price comparisons within the maximum allowable rate matrix as per the cost containment instruction of the National Treasury.
- b. The TMC will obtain three price comparisons from accommodation establishments that provide the best available rate within the maximum allowable rate and that is located as close as possible to the venue or office or location or destination of the traveller
- c. This includes planning, booking, confirming, and amending of accommodation with any establishment (hotel group, private hotel, guest house or Bed & Breakfast) in accordance with municipalities'/ entities'/ departments' travel policy.
- d. All travellers should only be booked at accommodation establishments with which National Treasury has negotiated corporate rates. Should there be no rate agreement in place in the destination, or should the contracted establishment be unable to accommodate the traveller, the TMC will source suitable accommodation bearing in mind the requirement of convenience for the traveller and conformation with acceptable costs, or as stipulated in written directives issued from time to time by the National Treasury or municipality/ entity/ department.
- e. Accommodation vouchers must be issued to all travellers for accommodation bookings and must be invoiced to each client's as per arrangement. Such invoices must be supported by a copy of the original hotel accommodation charges.
- f. The TMC must during their report period provide proof, where applicable, that accommodation rates were booked within the maximum allowable rates as per the cost containment instruction of the National Treasury.
- g. Cancellation of accommodation bookings must be done promptly to guard against no show and late cancellation fees and thus avoid fruitless and wasteful expenditure.

7.1.5 Car Rental and Shuttle Services

- a. The TMC will book the approved category vehicle in accordance with the Travel Policy of each institution with the appointed car rental service provider from the closest rental location (airport, hotel, and venue).
- b. The travel consultant should advise the Traveller on the best time and location for collection and return considering the Traveller's specific requirements.

- c. The TMC must ensure that relevant information is shared with travellers regarding rental vehicles, like e-tolls, refuelling, keys, rental agreements, damages, and accidents, etc.
- d. For international travel the TMC may offer alternative ground transportation to the Traveller that may include rail, buses, and transfers.
- e. The TMC will book transfers in line with the Travel Policy with the appointed and/or alternative service providers. Transfers can also include bus and coach services, Uber, Taxis, Train etc.
- f. The TMC should manage shuttle companies on behalf of each institution and ensure compliance with minimum standards. The TMC should also assist in negotiating better rates with relevant shuttle companies.
- g. The TMC must during their report period provide proof that negotiated rates were booked, where applicable.

7.1.6 After Hours and Emergency Services

- a. The TMC must provide a consultant or team of consultants to assist Travellers with after hours and emergency reservations and changes to travel plans.
- b. A dedicated consultant/s must be available to assist VIP/Executive Travellers with after hour or emergency assistance.
- c. After hours' services (17:00pm – 8:00 am) must be provided from Monday to Friday outside the official hours (8:00 am to 17:00pm) and twenty-four (24) hours on weekends and Public Holidays.
- d. A call centre facility or after hours contact number should be available to all travellers so that when required, unexpected changes to travel plans can be made and emergency bookings attended to.
- e. The Travel Management Company must have a standard operating procedure for managing after hours and emergency services. This must include purchase order generation of the request within 24 hours.

8. Appointment, Commencement and Duration

The appointed bidder is anticipated to commence the work upon appointment **on an as-and-when required basis over a three-year period, with an option to extend for a further two years.**

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

9. INSTRUCTION TO BIDDERS

9.1 General Instructions

This document constitutes a Request for Proposal (RFP), which specifies SALGA's requirements for the request for expression of interest: proposals for innovation and solutions to improve service delivery within local government. 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. Responses must be presented in the same order as the requirements appear, section by section, and numbered accordingly, with acknowledgement of all clauses..

9.2 Objectives

SALGA's calls for the appointment of a panel of service providers who will team up with SALGA for the provision of an Online Travel Management booking systems that will be deployed in the sector and to other departments or entities that may wish to participate in the utilisation of the panel or solution.

9.3 Terms of Contract

The period of appointment to the panel is initially for a period of 36 months which may be renewed and extended by SALGA, for further periods up to 60 months, should the services prove to be of valuable and viable for both SALGA and municipalities. SALGA reserves the right within this period to go to market through and issue an invite for more solutions that would also be included in the panel of solutions that the organization can explore with the objective of utilizing or deploying at municipalities.

9.4 Questions during Proposal Process

Any enquiries regarding this RFP should be directed to **Nokulunga Neti**, Senior Buyer: SCM at scm@salga.org.za , located at the SALGA National Office – 012 369 8000. Questions will only be taken up to four days prior the closing date.

Bidders finding apparent discrepancies or omissions in the RFP should notify Head: Supply Chain Management at 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 11:00 am, seven business days prior to RFP closing without providing an extension of time.

9.5 Submission of Proposal

Submit one copy of the proposal **1 X Original of the document/proposal**, and **1 X Original of the budget cost breakdown**, in sealed opaque envelopes **as well an electronic version (of the proposal and budget cost) in a USB flash drive or memory stick** clearly marked “REQUEST FOR EXPRESSION OF INTEREST: PROPOSALS OF TRAVEL MANAGEMENT COMPANY WITH AN ONLINE TRAVEL BOOKING SYSTEM TENDER SOLUTIONS TO IMPROVE SERVICE DELIVERY WITHIN LOCAL GOVERNMENT, Bid Number: SALGA/04/2023”, addressed to:

Physical address:

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

- i. Proposals will be received at the reception desk on the first floor, during regular business hours only, up to 11h00 on the closing date. Late submissions will not be accepted.
- ii. Bidders remain solely responsible for the method of conveyance of their proposal to the receiving point. Fax transmissions or any other electronic communications are not acceptable.
- iii. SALGA will not be responsible for any costs incurred by the bidders associated with the preparation of responses to the RFP.

- iv. Proposals received past the time stated above will not be considered and will be returned to the bidder unopened.
- v. All proposals will remain in force and will be irrevocable for **hundred and twenty days** after the proposal closing.
- vi. Proposals shall be stipulated sums without escalator clauses or other qualifications.

9.6 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.

9.7 Termination of Contract

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

- 9.7.1** the winning bidder fails to perform in accordance with the specified service requirements as set out in the RFP;
- 9.7.2** the winning bidder fails to provide project deliverables as defined **above** without written explanation;
- 9.7.3** the winning bidder otherwise violates the provisions of the RFP to a substantial degree.

9.8 Liability

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

9.9 Important Dates

15 June 2023 - Proposal submissions due by 11H00

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

- a.** 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.**

- b. A contract will be signed with the appointed Bidder.
- c. The Bidder will be required to sign confidentiality and indemnity agreements with SALGA.
- d. SALGA may at its own discretion vary an instruction to include more work.
- e. Failure to comply with any condition of this request for a proposal will invalidate respective tender proposal.
- f. 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.
- g. SALGA reserves the right to request new or additional information regarding each bidder and any individual or other persons associated with its project proposal.
- h. 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.
- i. 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.
- j. 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.
- k. 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.
- l. Bidders are advised that submission of a project proposal gives rise to no contractual obligations on the part of SALGA.
- m. 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.
- n. 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.
- o. All returnable bid documents must be completed in full and submitted together with the bidder's proposal.
- p. SALGA will not be liable for costs incurred during the site visits or any other cost related to the submission of the bid.
- q. Completion of the Standard Bidding Documents stated herein below is **mandatory**, failure to do so **may** render your bid offer invalid.

11 STANDARD BIDDING FORMS

11.1 Preference Points Claim form.

Form SBD 6.1 - Bidders must complete this document in full, special attention must be given to section 3 and 4. They must be completed on the original and signed.

11.2 Bidder's Disclosure

Form SBD 4 - Bidders must complete this document in full. They must be completed on the original and signed.

11.3 Pricing Schedule

Form SBD 3.3 - Bidders must complete this document in full. They must be completed on the original and signed.

11.4 Invitation to bid

Form SBD 1 - Bidders must complete this document in full. They must be completed on the original and signed.

11.5 Bidder Screening

Stage 1: Screening of bidders

Criteria	Yes/ No/
1. The company profile – Clearly provide details of the company and ownership	
2. The company experience in the field – clear indication of how long the company has been in existence and how long has the company utilized/developed the proposed solution	
3. Full description and functionality of the Online Travel Booking System that will be deployed. The system should be able to interface with other systems (e.g. ERPs) and practical examples of description of the systems that it has interfaced with	
4. The novelty of the Online Travel Booking System and how it will respond to the challenges around the travel management issues in the sector	
5. The ability of the company to hold requisite reserves as required by the licensing of operating a Travel Management Company	

6. The company work in the public sector with public sector clients. How long has the company operated in the public sector and how many clients has the company serviced as Travel Management Company in the public sector.

Stage 2: Mandatory Requirements

The tender will not be considered if it does not accord with the following:

1. Online Travel Management System or Technology
2. Contain a Revenue Share Model proposed between the bidder and SALGA.

Stage 3: Presentations and Evaluation

Presentation based on the outlined requirements.

The following evaluation method will be used:

- After the closing date of the bid invitation, an appointed evaluation committee of SALGA officials and possibly other external parties will evaluate the proposals of the bidders.
- The committee will individually evaluate each of the bid proposals received against the appointed criteria as provided for in Preferential Procurement Regulations, 2022

All proposals submitted will be evaluated on three categories:

- Functionality (technical content)
- Price
- Specific goals

Bids will be evaluated in accordance with the Preferential Procurement Regulations, 2022, using the 80/20 split. The 80/20 preference points system applies for acquisition of goods or services for Rand value equal R 2 000.00 or up to R50 million.

1.1 To be completed by the organ of state:

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

- 1.2 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.
- 1.3 The assessment of functionality will be done in terms of the evaluation criteria and the minimum threshold value of 70 points. A bid will be disqualified if it fails to meet the minimum threshold value for functionality as per the bid invitation.
- 1.4 Thereafter, only the qualifying bids after the presentation and demonstration will be evaluated in terms of the 80/20 preference points systems, 80 points will be used for price only and the 20 points will be used for Specific goals. The price points will be calculated in accordance with the formula prescribed on the Preferential Procurement Regulations, 2022.
- 1.5 A recommendation for the awarding of the contract will be made at the meeting of the Bid Adjudication Committee to be confirmed, where applicable.

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

Criteria	Weight	Points Allocation
The product/solution ownership or rights over the online systems to be deployed in the sector 5 = Full ownership or unrestricted open-ended utilization or licensing of the Online Travel Booking system to a South African company. Official Letter from owner and developer should accompany this proposal 4 = Full licensing of the system without any restrictions. Official Letter from owner and developer should accompany this 3 = Full licensing of the systems with no clear restrictions placed on	50	

Criteria	Weight	Points Allocation
the licensor. Official Letter from owner and developer should accompany this criterion. 2 = Full Licensing with or without restrictions. No letter provided. 1 = Partial Licensing rights no letter from owner submitted 0 = No online system		
Proof of Clients using the system. 5 = 3 Clients utilizing the system for two years. 4 = 3 Clients that have been using the system for over one year. 3 = 2 Clients that have used the system for six months 2 = 2 Clients that have used the system for three months 1 = 1 or more clients using the system without any letter. 0 = No client onboard Letters from client indicating on how long they have been using the system <u>must</u> be submitted with the bid.	30	
Revenue Share Model proposal to SALGA. 5 = Principles of Revenue share methodology with clear percentages and indicating all revenue streams affected with simulated projections on shares for both parties 4 = Principles of Revenue share methodology with clear percentages and indicating all revenue streams affected without simulated revenue projections both parties 3 = Principles of the revenue share methodology outlined with percentages 2 = Principles of revenue share methodology outlined without percentages. 1 = Revenue share outlined without methodology 0 = No Revenue share principle or undertaking outlined	10	
Cash holding Reserves of TMC 5 = Retention of 90% of the reserves Cash Reserves The ability of the company to hold enough reserves as required by the licensing of operating a Travel Management Company 4 = Retention of less 89% to 70% of the reserves 3 = Retention of less 69 to 50%- of the reserves 2 = Retention of Less 49 to 20% of the reserves 1 = Retention of Less than 19% to 1 of the reserves	10	

Criteria	Weight	Points Allocation
0 = No Retention Reserves		
Total	100	
Minimum threshold score	70	

Bidders who score 70 (average) points and above will be considered in phase 2 of the evaluation. The 80/20 points system will be used when evaluating this Request for Proposal, where 80 is for Price.

12 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 bidder 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 bidder should be able to submit a proposal on the layout of his/her choice for consideration by SALGA.
- SALGAs (general conditions of bid, contract and order) shall be applicable to this bid.
- The bidder 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.

- 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 bidder 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 bidder should be able to submit a proposal on the layout of his/her choice for consideration by SALGA.
- SALGAs (general conditions of bid, contract and order) shall be applicable to this bid.
- The bidder 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.

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION (SALGA)							
BID NUMBER:	SALGA/04/2023	CLOSING DATE:	15 JUNE 2023		CLOSING TIME:	11H00	
DESCRIPTION	REQUEST FOR EXPRESSION OF INTEREST: PROPOSALS OF TRAVEL MANAGEMENT COMPANY WITH AN ONLINE TRAVEL BOOKING SYSTEM TENDER SOLUTIONS TO IMPROVE SERVICE DELIVERY WITHIN LOCAL GOVERNMENT						
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO							
CONTACT PERSON	NOKULUNGA NETI			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:			
TELEPHONE NUMBER	012 369 8000			CONTACT PERSON			
FACSIMILE NUMBER	N/A			NOKULUNGA NETI			
E-MAIL ADDRESS	scm@salga.org.za			TELEPHONE NUMBER			
				012 369 8000			
				FACSIMILE NUMBER			
				N/A			
				E-MAIL ADDRESS			
				scm@salga.org.za			
SUPPLIER INFORMATION							
NAME OF BIDDER							
POSTAL ADDRESS							
STREET ADDRESS							
TELEPHONE NUMBER	CODE			NUMBER			
CELLPHONE NUMBER							
FACSIMILE NUMBER	CODE			NUMBER			
E-MAIL ADDRESS							
VAT REGISTRATION NUMBER							
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:			OR	CENTRAL SUPPLIER DATABASE No:	MAAA	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX]			B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX]	
	☐ Yes ☐ No					☐ Yes ☐ No	
[AN UPDATED CSD REPORT MUST BE SUBMITTED IN ORDER TO QUALIFY FOR SPECIFIC GOALS AT PPPFA EVALUATION]							
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]			ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?		☐ Yes ☐ No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]	
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS							
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?						☐ YES ☐ NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?						☐ YES ☐ NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?						☐ YES ☐ NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?						☐ YES ☐ NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?						☐ YES ☐ NO	
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.							

PART B TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.
1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).
2. TAX COMPLIANCE REQUIREMENTS
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

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

SIGNATURE OF BIDDER:

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

DATE:

PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER:	BID NO.:
CLOSING TIME 11:00	CLOSING DATE.....

OFFER TO BE VALID FORDAYS FROM THE CLOSING DATE OF BID.

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

1. The accompanying information must be used for the formulation of proposals.

2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project.

R.....

3. PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)

4. PERSON AND POSITION

HOURLY RATE

DAILY RATE

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

R.....
R.....
R.....
R.....
R.....

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

5. PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT

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

R.....
R.....
R.....
R.....

..... days
..... days
..... days
..... days

5.1 Travel expenses (specify, for example rate/km and total km, class of airtravel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED

RATE

QUANTITY

AMOUNT

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

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

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

R.....
R.....
R.....
R.....

TOTAL: R.....

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

Name of Bidder:

- 5.2 Other expenses, for example accommodation (specify, eg. Three star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
.....			R.....
.....			R.....
.....			R.....
.....			R.....
TOTAL: R.....			

6. Period required for commencement with project after acceptance of bid
 7. Estimated man-days for completion of project
 8. Are the rates quoted firm for the full period of contract? *YES/NO
 9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.

***[DELETE IF NOT APPLICABLE]**

Any enquiries regarding bidding procedures may be directed to the –

(INSERT NAME AND ADDRESS OF DEPARTMENT/ENTITY)

Tel:

Or for technical information –

(INSERT NAME OF CONTACT PERSON)

Tel:

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
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

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

(delete whichever is not applicable for this tender).

- a) The applicable preference point system for this tender is the **90/10** preference point system.
- b) The applicable preference point system for this tender is the **80/20** preference point system.
- c) Either the **90/10 or 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:

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

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

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

2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

80/20

or

90/10

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

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

3.2.1. POINTS AWARDED FOR PRICE

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

80/20

or

90/10

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmax = 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) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
SMME's	4	
100% Black Women owned	3	
100 % Youth	3	

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.

.....
SIGNATURE(S) OF TENDERER(S)

SURNAME AND NAME:

DATE:

ADDRESS:

.....

.....

.....



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

TO: ACCOUNTING OFFICERS OF DEPARTMENTS AND CONSTITUTIONAL INSTITUTIONS

ACCOUNTING AUTHORITIES OF PUBLIC ENTITIES

HEAD OFFICIALS OF PROVINCIAL TREASURIES

**NATIONAL TREASURY SCM INSTRUCTION NO 4A OF 2016/2017
CENTRAL SUPPLIER DATABASE**

1. PURPOSE

The purpose of this *SCM Treasury Instruction* is to prescribe the utilisation of the mandatory **Central Supplier Database (CSD)** to Accounting Officers and Accounting Authorities.

2. BACKGROUND

- 2.1 The National Treasury identified the registration of prospective service providers on each and every Organ of state's individual list of prospective suppliers as one of the processes that makes it difficult for service providers to do business with the State.
- 2.2 Cabinet approved steps to accelerate the modernisation of public procurement as per a Cabinet Resolution dated 10 December 2014. Amongst the ensuing modernisation initiatives, the National Treasury established the CSD on behalf of all Departments, Constitutional Institutions and Public Entities listed in Schedule 2 and 3 of the PFMA. The CSD's purpose is to avoid the multiple registrations by prospective suppliers with each individual Organ of State they intend doing business with.
- 2.3 In terms of Section 38 (1) (a) (iii) and 51 (1) (iii) of the PFMA, the Accounting Officer of a Department or Constitutional Institution and the Accounting Authority of a Public Entity listed in Schedule 2 and 3 to the PFMA must ensure that their respective Institutions have and maintain an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective.
- 2.4 National Treasury Circular No 3 of 2015/2016 informed Accounting Officers and Accounting Authorities of Departments, Constitutional Institutions and all Schedule 2 and 3 Public Entities of the transitional arrangements prior to the mandatory application of the CSD on 1 April 2016. Through this SCM Instruction, the date is extended to 1 July 2016.
- 2.5 The registration and verification of supplier information has not been uniform and standardised for all Organs of State, which complicated the process of doing business with the state. Therefore, the National Treasury established the CSD in

September 2015 to administer supplier registration and facilitate the verification of supplier information.

3. ESTABLISHMENT OF THE CENTRAL SUPPLIER DATABASE

- 3.1 In order to give effect to the mandatory requirements of this SCM Instruction, Accounting Officers and Accounting Authorities must ensure that:
- 3.1.1 The current supply chain management system and policies of their respective organs of state are aligned with the provisions of this SCM Instruction note;
 - 3.1.2 Price quotations are invited and accepted from prospective suppliers listed on the CSD; and
 - 3.1.3 Key information of prospective suppliers is verified on the CSD in line with PFMA and regulatory requirements. The following information must be verified:
 - a) Business registration, including details of directorship and membership;
 - b) Bank account holder information¹;
 - c) In the service of the state status²;
 - d) Tax compliance status;
 - e) Identity number;
 - f) B-BBEE status level³;
 - g) Tender defaulting and restriction status; and
 - h) Any additional and supplementary verification information communicated by the National Treasury.
- 3.2 Accounting Officers and Accounting Authorities must not award any bid for price quotations to a bidder(s) not registered on the CSD, excluding transactions mentioned in paragraph 3.3.
- 3.3 Transactions concluded through petty cash, sundry payments and foreign suppliers with no local registered entity may be concluded even if the supplier is not registered on the CSD.
- 3.4 If it is not possible to obtain price quotations from the list of prospective suppliers listed on the CSD, organs of state must conduct a market analysis to identify possible supplier(s), record the process and submit the list of prospective suppliers obtained through market analysis to the Accounting Officer or Accounting Authority or an appropriately delegated Official for approval. The identified supplier(s) should be registered on the CSD before orders are finalised.
- 3.5 Organs of state must ensure that a supplier that has been contracted in respect of emergency procurement procedures of the organ of state and that is not registered on the CSD, is registered as soon as possible, but not later than 7 calendar days after the order was issued to the supplier.
- 3.6 With effect from 1 July 2016, organs of state may not extend any existing contracts that may be in existence for computerised systems that are used to record details of

¹ Bank account information is verified for ease of transacting and complaint financial management and not as a mandatory requirement for sourcing and procurement processes.

² "In the service of the state": Please note this check is currently done on state employees who have a PERSAL number, but will be also verified for municipalities, municipal entities and public entities from 1 October 2016

³ B-BBEE will only be verified from 1 October 2016

their prospective suppliers and may not institute any new computerised system for the management of their list of prospective suppliers without written approval from the National Treasury.

- 3.7 In line with paragraph 3.6 above, any computerised systems in Organs of State that are operational at the date that this Instruction takes effect, may be used up until the expiry of contracts related to such systems.
- 3.8 Organs of State must ensure that existing systems integrate with the CSD to ensure systematic verification of supplier records. In cases where system integration is not possible, Organs of State must verify supplier records through the online CSD search function and attach a copy of the verification report to the procurement transaction.
- 3.9 Organs of State must ensure that suppliers awarded business with the State, excluding instances mentioned in paragraph 3.3, are registered on the CSD prior to award letter/purchase order/signed contract being issued.

4. SUBMISSION OF COMPLIANCE DOCUMENTS BY PROSPECTIVE SUPPLIERS

- 4.1 Organs of State need to notify bidders when sourcing price quotations or bids (open tenders) that they are not required to submit hard copies of compliance information as this information can be accessed and verified on the CSD in accordance with provisions of paragraph 3.8.
- 4.2 Organs of State must indicate in their Request for Bids that prospective suppliers must be register on CSD prior to submitting bids (open tenders).
- 4.3 Proof of registration, certification or accreditation with any industry or board not provided by the CSD must be verified through the submission of physical documentation and verified through manual procedures.

5. PROSPECTIVE SUPPLIERS' REGISTRATION SUPPORT

Organs of State must provide CSD registration support to prospective suppliers who are unable to self-register or require assistance with registration.

6. TAX STATUS REQUIREMENTS FOR PRICE QUOTATIONS AND COMPETITIVE BIDS

Accounting Officers/Authority must verify the tax compliance status of bidders on the CSD for all price quotations and competitive bids.

7. ACCESS TO THE CSD AS A USER BY DESIGNATED OFFICIALS

- 7.1 The National Treasury will grant access to Organs of State and their respective designated Official(s) on the CSD to identify prospective suppliers for price quotations and/or verify supplier's key information.
- 7.2 Accounting Officers and Accounting Authorities must utilise Organ of State System Account Application Form attached as Annexure A to request access rights on the CSD.

- 7.3 For legibility and accuracy purposes, the form must be completed electronically. The form may be accessed under buyer's area on the OCPO website/supplier management/documents: <http://ocpo.treasury.gov.za>.
- 7.4 Completed forms must be forwarded to business.support@csd.gov.za.

8. TRAINING AND SUPPORT REQUIREMENTS

- 8.1 All Training and support requirements need to be forwarded to business.support@csd.gov.za
- 8.2 For telephonic support the OCPO call centre can be contacted on 012 406 9222.
- 8.3 The National Treasury will facilitate access to the system and provide training.

9. APPLICABILITY

This SCM Instruction applies to all Departments, Constitutional Institutions and Public Entities listed in Schedule 2 and 3 to the PFMA.

10. REPEAL OF NATIONAL TREASURY PRACTICE NOTE AND REFERENCE

- 10.1 This instruction repeals:
- a) National Treasury SCM Instruction 4 of 2016/2017;
 - b) Paragraph 5 and 6 of National Treasury practice note no 8 of 2007/2008 on threshold values for the procurement of goods, works and services by means of petty cash, verbal/written price quotations or competitive bids dated 29 November 2007;
- 10.2 The list of prospective suppliers referred to in paragraph 3.2 and 3.3 of the National Treasury practice note no 8 of 2007/2008 must be regarded as the list of prospective suppliers established through the CSD.

11. DISSEMINATION OF INFORMATION CONTAINED IN THIS INSTRUCTION

- 11.1 Heads of Provincial Treasuries are requested to bring the contents of this SCM Instruction to the attention of Accounting Officers and Supply Chain Management Officials of their respective provincial departments;
- 11.2 Accounting Officers of National and Provincial Departments are requested to bring the contents of this SCM Instruction to the attention of Supply Chain Management Officials in their Departments and Accounting Authorities that report to the Executive Authority of their Department.
- 11.3 Accounting Authorities of Public Entities listed in Schedules 2 and 3 of the PFMA are requested to bring the contents of this SCM Instruction to the attention of the Supply Chain Management Officials of their Public Entities.

12 NOTIFICATION TO THE AUDITOR-GENERAL

The Auditor-General will be notified of the contents of this Instruction.

13 AUTHORITY FOR THIS INSTRUCTION AND EFFECTIVE DATE

This SCM Instruction is issued in terms of section 76(4) (c) of the PFMA takes effect from 1 July 2016. Institutions that have adopted the implementation of the CSD before 1 July 2016, may continue to utilise the CSD.

14 CONTACT INFORMATION

Enquiries related to this Instruction may be directed to:

Tumelo Ntlaba

Director: Central Supplier Database

Phone: 012 315 5509

Email: tumelo.ntlaba@treasury.gov.za or csd@treasury.gov.za



KENNETH BROWN
CHIEF PROCUREMENT OFFICER

DATE: 19/5/2016.

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.

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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.

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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.