



social development

Department:
Social Development
North West Provincial Government
REPUBLIC OF SOUTH AFRICA



Provident House Building
Private Bag X 6
Mmabatho, 2735

FINANCIAL MANAGEMENT AND ADMINISTRATION

Tel: +27 (18) 388 – 2869/2198
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INVITATION TO BID

BID REF. NO	NW/DSD/10(A)/2024
DESCRIPTION	Supply and Delivery of Food Parcels at Ngaka Modiri Molema District - Thirty Six (36) Months
BRIEFING SESSION DATE	No Briefing Session
BID SUBMISSION ADDRESS	Tender box situated at Department of Social Development, Provident Building, First Floor, Supply Chain Management, University Drive, Mmabatho
BID CLOSING DATE	02/12/2024
BID CLOSING TIME	11h00 am
BID VALIDITY PERIOD	90 Days
BID INFORMATION	Bid can be obtained from the e-tender portal: www.etender.gov.za

Prospective Suppliers who are interested in participating in afore mentioned Bid are invited to submit their bid in full compliance to the requirement of this document. Completed, signed and clearly labelled bid sealed in an envelope must be submitted to the above mentioned address on or before closing date and time.

1. PROJECT DESCRIPTION

The North West Department of Social Development, (NW:DSD) has the mandate of care, support and protection to vulnerable individuals, households and groups within the communities. This mandate is realized by delivering social welfare and assistance services aimed at providing material support to vulnerable individuals and groups. As a result, the department has developed a Social Relief of Distress programme to respond to the challenges of disasters, extreme poverty and destitution. It aims at creating a temporary safety net for people who experience undue hardship and are faced with exceptionally difficult circumstances in their lives. Social Relief of Distress programme includes food parcels as one of the interventions which are distributed to the identified households. The provision of food parcels to needy households is done on on-going basis throughout the year according to the annual performance plan and conditions of need. Social Relief of Distress means the alleviation of people's conditions of need by means of temporary and immediate rendering of material assistance.

The department also undertakes to assist households which have experienced deaths related to disasters or death under exceptional circumstances, and the households do not have means to bury the deceased. In this instance, food parcels will be contributed towards the burials of the deceased.

2. OBJECTIVES

The North West Department of Social Development (NW:DSD) intends entering into a thirty six(36) months contract with a Service Provider, for the supply and delivery of food parcels in the Ngaka Modiri Molema District.

2.1 THE DISTRICT HAS THE FOLLOWING SERVICE POINTS:

- Mahikeng
- Ratlou
- Tswaing
- Ditsobotla
- Ramotshere Moiloa

3. ACRONYMS AND DEFINITION OF CONCEPTS

3.1 DEFINITION

“Department” shall mean the, Department of Social Development

“The service provider” shall mean a company awarded in terms of this bid

“Agreement” shall comprise the full documentation included herewith, specifically the documents headed:

“B-BBEE status level of contributor” shall mean the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment

“Bidder” shall mean any natural or legal person submitting a bid or quotation

“Joint Venture” shall mean an association of persons for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity for the execution of a contract

“Contract” shall mean the agreement which results from the acceptance of a bid

“Period of Agreement” shall mean a specific start date and specific end date as outlined in the Service Level Agreement/contract

“Delivery Address” shall mean the location to which a product/service should be delivered at

“VAT” shall mean any tax levied on supplies, in terms of the Value – Added Tax Act of 1991 of the Republic of South Africa

“Bid validity period” shall mean the period within which a bidder's offer is considered valid and legally binding

“SABS” South African Bureau of Standards - It indicates that the product conforms to the performance and the quality assurance test

“Food parcels specifications” shall mean the schedule of food items, quantities and qualities as specified herein.

“Designated Official” shall mean an official of the Department authorized by the department.

“Quality” shall mean food items supplied according to the given specifications.

“Service Point” shall mean an office of the Department as located within the local municipal area.

“SANS” South African National Standards- It Indicates that the product conforms to the performance and quality assurance test.

3.2 ACRONYMS

BBBEE- Broad Based Black Economic Empowerment

CSD- Central Supplier Database

CIPC- Companies and Intellectual Property Commission

CPI - Consumer Price Index

DSD – Department of Social Development

GCC - General Conditions of Contract

PPPFA – Preferential Procurement Policy Framework Act

NWP – North West Province

SABS – South African Bureau of Standards

SANS - South African National Standards

SANAS – South African National Accreditation System

SBD- Standard Bidding Document

SLA- Service Level Agreement

SMME - Small Medium & Macro Enterprises as per Small Business Act

VAT- Value Added Tax

4. DELIVERY ADDRESS

OFFICE	ADDRESS
1. Mahikeng	Provincial Food Bank Mahikeng Cnr Vryburg Road and Rhodes Crescent Imperial Reserve (TTA) Mahikeng 2745
2. Ratlou	Motlhanka Office Park N18 Vryburg Road Setlagole Madibogo 2775
3. Tswaing	53 General De La Rey Street Delareyville 2770
4. Ditsobotla	38 Republic Street Lichtenburg 2740
5. Ramotshere Moiloa	18 Piet Retief Street Zeerust 2865

5. BID REQUIREMENT

5.1 BID CONDITIONS

- 5.1.1 Faxed and emailed bids will not be considered, only hand delivered bids will be accepted.
- 5.1.2 Bids received after the closing date and time, at the address indicated above will not be accepted and considered.
- 5.1.3 The hard copy of the bid response will serve as the legal document.
- 5.1.4 A bid document must be completed using a black or blue pen.
- 5.1.5 Use of pencil will not be allowed.
- 5.1.6 Use of tippex or correction ink shall not be allowed, where an error has been made, bidders are advised to cancel using a pen and initial then write their corrections.
- 5.1.7 The Department shall avail all required facilities for inspections, tests and analysis of the available apparatus, which may be required free of charge unless otherwise specified.
- 5.1.8 In the event that two or more bids have scored equal total points, the contract will be awarded to the bidder scoring the highest points on Specific Goals.
- 5.1.9 Should it happen that two or more bids scored equal total points in all respects, the award shall be decided by the drawing of lots.
- 5.1.10 The successful bidder will be required to sign the Service Level Agreement (SLA) after the award.
- 5.1.11 As from the effective date the successful bidder shall render the services and expertise and use the facility of the Department as set out in this document and Service Level Agreement (SLA).
- 5.1.12 The General Conditions of Contract (GCC) and Bid Forms, as well as other conditions accompanying this invitation are applicable.

5.2 SPECIAL CONDITIONS OF CONTRACT

- 5.2.1 In case of emergencies or disasters, service providers must be able to respond to the authorization by the designated official for the provision of food parcels within 24hrs.
- 5.2.2 Food parcels supplied and delivered must be SABS/SANS approved as far as possible.
- 5.2.3 Expiry of Food Items included in the Food Parcel to be valid for the period of twelve (12) months upon delivery.

6. SUBMISSION OF BIDS

6.1 Bidders must submit the bid in hard copy format (paper document) on or before the closing date and time to:

University Drive, Provident House,
1st Floor Supply Chain Management division,
East wing,
Mmabatho
2735

6.2 LATE BIDS

Bids received after the closing date and time, at the address indicated above will not be accepted for consideration. Please note that bids are late if they are received at the address (refer to address 6.1) given in the bid document after bid closing date and time. Late submissions must be registered or marked as such and form part of the evaluation report.

7. VALUE ADDED TAX (VAT)

All bid prices must be quoted in South African currency and must be VAT inclusive where applicable.

8. JOINT VENTURE

In case of joint venture, bidders will be required to comply with the following:

- 8.1 Submit separate SBD 4 forms for each company.
- 8.2 A joint banking account details will be required after award, prior to signing of Service Level Agreement.
- 8.3 A signatory must be nominated and both parties must consent for such nomination.
- 8.4 Tax status for each company must be in good standing.

9. ALTERATIONS TO DOCUMENT

No alteration, erasure, omission or addition shall be made to the text or conditions of this document save where expressly directed by clauses in this document. Should any unauthorized change be made the same will not be recognized but the original document will be adhered to:

10. BID EVALUATION STAGES

10.1 STAGE 1: ADMINISTRATIVE REQUIREMENTS STAGE

- 10.1.1 Central Supplier Database report/Master registration number for proof of CSD registration.
- 10.1.2 Tax compliance status pin.
- 10.1.3 Bidders employed by the state are not allowed to participate in this bid.
- 10.1.4 All bidders who are restricted in terms of National Treasury list of restricted suppliers are not allowed to participate in this bid.
- 10.1.5 Fully completed and signed SBD 1: Invitation of Bid.
- 10.1.6 Fully completed and signed SBD 6.1: Preferential Point Claim form in Terms of the Preferential Procurement Regulation 2022.
- 10.1.7 Attach General Conditions of Contract.

10.2 STAGE 2: MANDATORY REQUIREMENTS

- 10.2.1 Fully completed and signed SBD 3.2: Pricing Schedule – Non Firm Prices.
- 10.2.2 Fully completed and signed SBD 4: Bidders Disclosure.
- 10.2.3 In cases where bidders form a Joint Venture, the following shall be applicable:
 - 10.2.3.1 An agreement endorsed by both parties and attested by the Commissioner of Oath must be attached, bidders must submit a signed joint venture agreement.

FAILURE TO SUBMIT THE ABOVE MENTIONED DOCUMENTS THE BIDDER WILL BE DECLARED NON-RESPONSIVE

10.3 STAGE 3: EVALUATION CRITERIA TO BE USED

10.3.1 FUNCTIONALITY

Functionality	Requirements	Value	Points	Weight
Financial capacity	Bank grading	Authenticated/Stamped Bank grading letter from a Registered Financial Institution not older than three (3) months relevant to this bid.	Bank Grading A = Three (3) points Bank Grading B = Two (2) points Bank Grading C = One (1) point Bank Grading D and above = Zero(0)	30%
Transportation	Proof of delivery transport (At least a light delivery vehicle will be acceptable)	Proof of own vehicles : • A valid vehicles registration certificate registered in the bidder's name or company name. • A valid disk issued by Licensing Authority. Proof of leased vehicles: • Proof of Lease agreement, • A valid vehicle registration certificate registered in the lessor's name • A valid disk issued by Licensing Authority. Lease agreement compliant standard: (validity period to be stated and should be	Proof of Three or more own vehicles =five (5) points Proof of two own vehicles = three (3)points Proof of One own vehicle= one(1)point No evidence attached= (0) Proof of Three or more leased vehicles = three(3) points Proof of two leased vehicles = two(2) points Proof of One leased vehicle = one (1) point No evidence attached= (0)	40%

		signed and each page to be initialled by both parties.)		
Company profile	Sixty (60) months experience	Reference and Appointment letters for supply and delivery of food parcels or similar goods that add up to a minimum of sixty (60) months experience.	Three (3) or more Verifiable references and three (3) or more appointment letters = Five (5) points Two (2) Verifiable reference and two (2) appointment letters = four (4) points One (1) Verifiable reference and one (1) appointment letter = three (3) points Zero (0) reference and zero (0) appointment letter = zero (0)	30%
Total				100
Minimum acceptable score				70%

NB: Only bidders who obtain a minimum of 70% threshold out of 100 points of the functionality evaluation criteria will be considered in the next stage of evaluation.

10.4 STAGE 4: PRICE AND SPECIFIC GOALS POINTS

10.4.1 PRICE

The 80/20 preference point system will apply and the lowest acceptable tender will be used to determine the applicable preference point system.

In terms of regulation 6 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be evaluated by the department on the 80/20 preference point system in terms of which points are awarded to bidders on the basis of:

- The bid price (maximum 80 points)
- Specific goals (maximum 20points)

The following formula will be used to calculate the points for price:

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

Where:-

P_s = Points scored for comparative price of bid under consideration

P_t = Comparative price of bid under consideration

P_{min} = Comparative price of lowest acceptable bid

10.5 POINTS AWARDED FOR SPECIFIC GOALS FOR THIS BID

The following Specific Goals and points apply to this bid:

Specific Goals in terms of PPR2022	Points out of 20 for the 80/20 system	Points Claimed
Enterprise owned by black people	10 max	
The B-BBEE certificate or sworn affidavit is used as a measurement instrument for a range specific goals: • B-BBEE status level 1 = 10 points. • B-BBEE status level 2 = 09 points. • B-BBEE status level 3 = 06 points • B-BBEE status level 4 = 05 points • B-BBEE status level 5 = 04 points • B-BBEE status level 6 = 03 points • B-BBEE status level 7 = 02 points • B-BBEE status level 8 = 01 point In case of joint ventures, bidders are required to submit a consolidated valid B-BBEE status level verification certificate in the joint venture name. Failure to comply with this requirement will result in the joint venture not being scored for B-BBEE status level.		
Enterprises located in specific mandatory area	4 max	
Rural / Township / Village	4	
Local Municipality	2	

District Municipality	1	
CIPC or CK certificate will be used as a measurement instrument for mandatory area.		
Enterprises owned by specific designated group	6 max	
• Enterprises owned by women	1	
• Enterprises owned by people with disability	2	
• Enterprises owned by military veterans	1	
• Enterprises owned by youth	1	
• Cooperatives owned by black persons	1	
Latest CSD report will be used as a measurement for enterprises owned by women, people with disability, military veterans, youth and cooperatives owned by black persons.		
TOTAL:	20 max	

10.5.1 Bidders must attach a valid BBBEE certificate or a sworn affidavit certified by a Commissioner of Oaths.

10.5.2 The BBBEE certificate must be issued by SANAS accredited verification agency or Companies and Intellectual Property Commission (CIPC).

10.6 Where reference is made to Locality, the following location and points apply: Choose only one:

10.6.1 Bidders must choose only one of the above (only one proof to be attached for location, either a rural/ township/ village, Local Municipality or Any area within a District Municipality).

10.6.2 Locality. The points claimed for locality will be allocated as stipulated on table 10.5 if the bidder declares that they have Proof of Locality at the time of the declaration. If no proof of locality for the location described exists, then zero points must be claimed.

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

11. SPECIFICATION

CATEGORIES	FOOD ITEM	QUALITY	QUANTITY
Starch	Maize Meal	SABS/SANS approved	1 X 10 kg
	Samp	SABS/SANS approved	1 X 5kg
	Cake Flour	SABS/SANS approved	1 x 5kg
Protein	Pilchards	SABS/SANS approved	6 x 400g
	Baked Beans	SABS1/SANS approved	6 x 410g
	Soya Mince	SABS/SANS approved	1 X 2kg
	Full Cream Powder Milk (Coffee creamers are excluded)	SABS/SANS approved	2 X 400g
Seasoning	Salt	SABS/SANS approved	1 x 1kg
Others	Dry Yeast	SABS/SANS approved	3 x 10g
	Cooking Oil	SABS/SANS approved	1 X 2L

12. COSTING STRUCTURE

CATEGORY	FOOD ITEM	QUALITY	QUANTITY	AMOUNT
Starch	Maize Meal	SABS/SANS approved	1 X 10 kg	
	Samp	SABS/SANS approved	1 X 5kg	
	Cake Flour	SABS/SANS approved	1 x 5kg	
Protein	Pilchards	SABS/SANS approved	6 x 400g	
	Baked Beans	SABS/SANS approved	6 x 410g	
	Soya Mince	SABS/SANS approved	1 X 2kg	
	Full Cream Powder Milk (Coffee creamers are excluded)	SABS/SANS approved	2 X 400g	
	Table Salt	SABS/SANS approved	1 x 1kg	
Seasoning	Dry Yeast	SABS/SANS approved	3 x 10g	
	Cooking Oil	SABS/SANS approved	1 X 2L	
Cost of food parcel				
VAT @ 15%				
Grand Total				

No additional costs (not stipulated on the specifications) incurred by the service providers will be claimed from the Department.

13. ADDITIONAL OBJECTIVE CRITERIA

- 13.1 Bidders are allowed to bid for all four districts to supply and deliver food parcels for the Department.
- 13.2 The Department reserves the right to award the bid in whole or in part.
- 13.3 Bidders will only be considered for one (1) bid.
- 13.4 In an instance the highest scoring bidder has already been considered in one bid, the next responsive bidder will then be considered.
- 13.5 The Department reserves the right not to award the lowest scoring bid.

14. ESCALATION

- 14.1 All prices agreed upon when the agreement is concluded shall remain unchanged for the first Twelve (12) months. Annual Price Escalation will be based on the Gazetted Consumer Price Index (CPI) and effected on every anniversary of the contract.

15. DUTIES AND OBLIGATIONS OF SERVICE PROVIDER

- 15.1 To enter into a Service Level Agreement (SLA) with the Department.
- 15.2 To supply and deliver food parcels to areas identified by the Department at the right time, with the right quantity and quality.
- 15.3 To ensure that food items are securely packaged, sealed and clearly labelled.
- 15.4 To work closely with delegated officials of the Department within the allocated areas.
- 15.5 To provide food parcels within seven (7) days upon the receipt of an official order.
- 15.6 In case of emergencies or disasters, service providers must be able to respond to the authorization by the designated official for the provision of food parcels within 24hrs.

16. DELIVERABLES/OUTPUTS

- 16.1 Supply and deliver food parcels according to the specifications and service level agreement.
- 16.2 Submit signed delivery notes and invoices to the delegated officials upon delivery of food parcels.
- 16.3 The invoice must indicate the following:
 - 16.3.1 Date and invoice number,
 - 16.3.2 Order Number
 - 16.3.3 Name and address of the service provider,
 - 16.3.4 Name and Address of the Department

- 16.3.5 District Office supplied with food parcels,
- 16.3.6 Quantity and amount per item of food parcels supplied
- 16.3.7 If VAT vendor, VAT amount to be separately indicated

17. DUTIES AND OBLIGATIONS OF THE DEPARTMENT

- 17.1 To identify, profile and assess beneficiaries for food parcels.
- 17.2 To liaise with the Service Providers for the supply and delivery of food parcels.
- 17.3 To check the food parcels for completeness, quality, damages and compliance with specifications upon delivery.
- 17.4 To ensure actual distribution of food parcels to identified, profiled and assessed beneficiaries.
- 17.5 To record and account for the received food parcels
- 17.6 To keep a database of beneficiaries who have received food parcels.

18. REPORTING, MONITORING AND EVALUATION

- 18.1 The successful bidder shall be accountable to the department in all material terms.

19. TERMS OF PAYMENT

- 19.1 Payment for delivered food parcels will be made within thirty (30) days upon receipt of a compliant invoice and delivery note.
- 19.2 The Department will not be held liable for the delay in payment due to incomplete/ invalid invoice.

20. BID ENQUIRIES

Contact Person: Supply Chain Management related matters:

Name: Ms G.A Mogwai

Contact: (018) 388 1529

Email: gyawa@nwpg.gov.za

Contact Person: Technical enquiry

Name : Mr E Gaaname

Contact: (018) 388 1338

Email: egaaname@nwpg.gov.za

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF SOCIAL DEVELOPMENT					
BID NUMBER:	NW/DSD/10(A)/2024	CLOSING DATE:	02/12/2024	CLOSING TIME:	11H00AM
DESCRIPTION	SUPPLY AND DELIVERY OF FOOD PARCELS AT NGAKA MODIRI MOLEMA DISTRICT- THIRTY SIX (36) MONTHS				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
FIRST FLOOR UNIVERSITY DRIVE					
PROVIDENT HOUSE BUILDING					
SUPPLY CHAIN MANAGEMENT DIRECTORATE					
NORTH WING ENTRANCE, MMABATHO 2735					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	Ms G MOGWAI		CONTACT PERSON	Mr E GAANAME	
TELEPHONE NUMBER	(018) 388 1529		TELEPHONE NUMBER	(018) 388 1338	
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	gyawa@nwpg.gov.za		E-MAIL ADDRESS	egaaname@nwpg.gov.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES 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, 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:

B PRICES SUBJECT TO RATE OF EXCHANGE VARIATIONS

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

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

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

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

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.

SBD4

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

PRICING SCHEDULE – NON-FIRM PRICES (PURCHASES)

NOTE: PRICE ADJUSTMENTS WILL BE ALLOWED AT THE PERIODS AND TIMES SPECIFIED IN THE BIDDING DOCUMENTS.

IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT

Name of Bidder.....	Bid number.....
Closing Time 11:00	Closing date.....

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

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)
-	Required by:		
-	At:		
-	Brand and model		
-			
-	Country of origin		
-	Does the offer comply with the specification(s)?		*YES/NO
-	If not to specification, indicate deviation(s)		
-	Period required for delivery		
-	Delivery:		*Firm/not firm

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

*Delete if not applicable

A NON-FIRM PRICES SUBJECT TO ESCALATION

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

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

- Index..... Dated..... Index..... Dated..... Index..... Dated.....
Index..... Dated..... Index..... Dated..... Index..... Dated.....

[illegible]

**SPECIFIC GOALS DECLARATION IN TERMS OF THE PREFERENTIAL PROCUREMENT
REGULATIONS 2022**

BIDS

This specific goals form must form part of all bids. It contains general information required by legislation and serves as the declaration for the specific goals claimed by the bidder.

NB: IN COMPLETING THIS FORM, BIDDERS MUST BE AWARE OF THE CONDITIONS OF TENDER, GENERAL CONDITIONS OF CONTRACT, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, THE PREFERENTIAL PROCUREMENT REGULATIONS 2022 AND THE BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT AND CODES OF GOODS PRACTICE.

1. GENERAL CONDITIONS

1.1 The following point systems are applicable to all bids:

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

1.2 Points for this bid shall be awarded for:

1.2.1 Price; and

1.2.2 Specific goals.

1.3 The points for price and the points for specific goals will be added and subject to section 2(1)(f) of the PPPFA, the award will be to the bidder that scores the highest points.

1.4 Failure on the part of a bidder to declare or submit proof when requested, will be interpreted to mean that points for specific goals are not claimed.

1.5 The department reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required.

2. DEFINITIONS

2.1.1 "Acceptable quotation" means a quotation which in all respects complies with the specifications and Conditions of Tender as set out in the tender document.

2.1.2 "Black people" means Africans, Coloureds and Indians (refer to the B-BBEE Act for more details)

2.1.3 "Broad-Based Black Economic Empowerment Act" means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);

2.1.4 "Central Supplier Database" means the database managed by National Treasury at www.csd.gov.za.

2.1.5 "CIPC" means the Companies Intellectual Property Commission.

2.1.6 "Disabled person" means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being AND is in possession of a proof of disability.

2.1.7 "EME" means an Exempted Micro Enterprise in terms of the relevant code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-

Based Black Economic Empowerment Act;

- 2.1.8 **"Locality"** means that the enterprise has either its head office or an operational office located in that location AND they are in possession of proof of locality.
- 2.1.9 **"Military Veteran"** has the meaning assigned to it in Section 1 of the Military Veterans Act, 2011 (Act No. 18 of 2011).
- 2.1.10 **"Proof of Disability"** means:
 - 2.1.10.1 A CSD report will be used to verify disability ownership.
- 2.1.11 **"Proof of Locality"** means:
 - 2.1.11.1 CIPC certificate showing the company name and address.
- 2.1.12 **"Proof of Ownership"** means:
 - 2.1.12.1 The % ownership indicated on the Central Supplier Database. The CSD integrates with the systems at Home Affairs (demographic information); Companies and Intellectual Property Commission (CIPC) (for company information such as shareholding); and other databases (such as the banks).
- 2.1.13 **"Proof of B-BBEE status level of contributor"** means:
 - 2.1.13.1 B-BBEE Status level certificate issued by an authorized body or person (such as a SANAS verification agent);
 - 2.1.13.2 A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
 - 2.1.13.3 A CIPC B-BBEE certificate; or
 - 2.1.13.4 Any other requirement prescribed in terms of the B-BBEE Act.
- 2.1.14 **"Proof of Military Veteran"** means a:
 - 2.1.14.1 A CSD report will be used to verify military veteran ownership.
- 2.1.15 **"price"** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- 2.1.16 **"QSE"** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- 2.1.17 **"Rand value"** means the total estimated value of a contract in Rand, calculated at the time of the tender invitation.
- 2.1.18 **"SARS"** means the South African Revenue Service.
- 2.1.19 **"Specific Goals"** means those goals as contemplated in section 2(1)(d) of the PPPFA which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994.
- 2.1.20 **"SANAS"** means the South African National Accreditation System.
- 2.1.21 **"tender for income-generating contracts"** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal

of assets and concession contracts, excluding direct sales and disposal of assets through public auctions

2.1.22 "Youth" means persons between the ages of 14 and 35.

3. PRICE FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1 POINTS AWARDED FOR PRICE - THE 80/20 PREFERENCE POINT SYSTEMS

A maximum of 80 points is allocated for price on the following basis:
80/20

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

Where

Ps = Points scored for price of the bid under consideration
Pt = Price of the bid under consideration
Pmin = Price of lowest acceptable bid

3.2 PRICE FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME-GENERATING CONTRACTS

3.3 POINTS AWARDED FOR PRICE

A maximum of 80

80/20

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

Where

Ps = Points scored for price of the bid under consideration
Pt = Price of the bid under consideration
Pmax = Price of highest acceptable bid

4. POINTS AWARDED FOR SPECIFIC GOALS FOR THIS BID

4.1 The following Specific Goals and points apply to this bid:

Specific Goals in terms of PPR2022	Points out of 20 for the 80/20 system	Points Claimed
Enterprise owned by black people	10 max	
The B-BBEE certificate or sworn affidavit is used as a measurement instrument for a range specific goals: - B-BBEE status level 1 = 10 points. - B-BBEE status level 2 = 09 points.		

• B-BBEE status level 3 = 06 points • B-BBEE status level 4 = 05 points • B-BBEE status level 5 = 04 points • B-BBEE status level 6 = 03 points • B-BBEE status level 7 = 02 points • B-BBEE status level 8 = 01 point In case of joint ventures, bidders are required to submit a consolidated valid B-BBEE status level verification certificate in the joint venture name. Failure to comply with this requirement will result in the joint venture not being scored for B-BBEE status level.		
Enterprises located in specific mandatory area	4 max	
Rural / Township / Village	4	
Local Municipality	2	
District Municipality	1	
CIPC or CK certificate will be used as a measurement instrument for mandatory area.		
Enterprises owned by specific designated group	6 max	
• Enterprises owned by women	1	
• Enterprises owned by people with disability	2	
• Enterprises owned by military veterans	1	
• Enterprises owned by youth	1	
• Cooperatives owned by black persons	1	
Latest CSD report will be used as a measurement for enterprises owned by women, people with disability, military veterans, youth and cooperatives owned by black persons.		
TOTAL:	20 max	

4.1.1 Bidders must attach a valid BBBEE certificate or a sworn affidavit certified by a Commissioner of Oaths.

4.1.2 The BBBEE certificate must be issued by SANAS accredited verification agency or Companies and Intellectual Property Commission (CIPC)

4.2 Where reference is made to Locality, the following location and points apply: Choose

only one:

- 4.2.1 Bidders must choose only one of the above (only one proof to be attached for location, either a rural/ township/ village, Local Municipality or Any area within a District Municipality)
- 4.2.2 Locality. The points claimed for locality will be allocated as stipulated on table 5.1 if the bidder declares that they have Proof of Locality at the time of the declaration. If no proof of locality for the location described exists, then zero points must be claimed.
- 4.2.2.1 Note that if the department requests proof of location, and the proof can either not be provided OR if the proof is dated after the declaration date, this will be deemed to be mis-representation and the department will begin the remedy outlined below.

5. DECLARATION WITH REGARD TO COMPANY/FIRM

- 5.1. Name of company/firm.....
- 5.2. Company registration number:
- 5.3. CSD Number: MAAA.....
- 5.4. TYPE OF COMPANY/ FIRM

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

6. I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, declare the points claimed and I / we acknowledge that:

- 6.1 The information furnished is true and correct;
- 6.2 The points claimed are in accordance with the General Conditions as indicated in paragraph 1, 2 and 5 of this declaration;
- 6.3 In the event of a contract being awarded as a result of points claimed and any other information at the disposal of the Department of Social Development, the bidder may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- 6.4 If the points claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
- (a) disqualify the person from the bidding 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 bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury 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.

	
	SIGNATURE(S) OF BIDDERS(S)
SURNAME AND NAME:	
DATE:	
ADDRESS	
	
	

GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

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

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

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

TABLE OF CLAUSES

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

General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:
 - 1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
 - 1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 "Day" means calendar day.
 - 1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.
 - 1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.
 - 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
 - 1.11 "Dumping" occurs when a private enterprise abroad markets 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**
- 7.1 Within thirty (30) days of receipt of the notification of contract award,

security

the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

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

8. Inspections, tests and analyses

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

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

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

9. Packing

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

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

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

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

14. Spare parts

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

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

15. Warranty

- 15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.
- 15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.
- 15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.
- 15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.
- 15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser

may have against the supplier under the contract.

16. Payment

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

17. Prices

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

18. Contract amendments

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

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier's performance

- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily

available.

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the

envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

25. Force Majeure

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

26. Termination for insolvency

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

27. Settlement of Disputes

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

28. Limitation of liability

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

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

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