



**DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY**

**TENDER NUMBER: 08/2023**

**PANEL OF LEGAL FIRMS FOR PROVISION OF LEGAL SERVICES AS AND WHEN REQUIRED BY DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY FOR A PERIOD OF THIRTY SIX (36) MONTHS**

**Enquiries** : **Office hours only**  
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**BID INFORMATION**

**Project No** : T08/2023  
**Project Name** : PANEL OF LEGAL FIRMS FOR PROVISION OF LEGAL SERVICES  
AS AND WHEN REQUIRED BY DR PIXLEY KA ISAKA SEME  
LOCAL MUNICIPALITY FOR A PERIOD OF THIRTY SIX (36) MONTHS

**Tenderer's Name** : \_\_\_\_\_

**CSD SUPPLIER NO:** \_\_\_\_\_

**Price** : R \_\_\_\_\_ (Excluding VAT)  
**VAT @15%** : R \_\_\_\_\_ (VAT Amount)  
**Total Price** : R \_\_\_\_\_ (Including VAT)

**CLOSING DATE: THURSDAY, 05 OCTOBER 2023 AT 12:00**

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**PART A  
INVITATION TO BID**

|                                                                                                                                                                                       |                                                                                                                                                                         |                      |                                             |                                                                 |              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------------------------------|-----------------------------------------------------------------|--------------|
| <b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY</b>                                                                               |                                                                                                                                                                         |                      |                                             |                                                                 |              |
| <b>TENDER NO</b>                                                                                                                                                                      | <b>T08/2023</b>                                                                                                                                                         | <b>CLOSING DATE:</b> | <b>05 OCTOBER 2023</b>                      | <b>CLOSING TIME:</b>                                            | <b>12:00</b> |
| <b>DESCRIPTION</b>                                                                                                                                                                    | <b>PANEL OF LEGAL FIRMS FOR PROVISION OF LEGAL SERVICES AS AND WHEN REQUIRED BY DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY FOR THE PERIOD OF THIRTY SIX (36) MONTHS</b> |                      |                                             |                                                                 |              |
| <b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).</b>                                                                                     |                                                                                                                                                                         |                      |                                             |                                                                 |              |
| BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT                                                                                                                    |                                                                                                                                                                         |                      |                                             |                                                                 |              |
| <b>Dr Pixley ka Isaka Seme Local Municipality Offices (Entrance Foyer)</b>                                                                                                            |                                                                                                                                                                         |                      |                                             |                                                                 |              |
| <b>Cnr Adelaide Tambo Street and Dr Nelson Mandela Drive</b>                                                                                                                          |                                                                                                                                                                         |                      |                                             |                                                                 |              |
| <b>Volksrust</b>                                                                                                                                                                      |                                                                                                                                                                         |                      |                                             |                                                                 |              |
| <b>2470</b>                                                                                                                                                                           |                                                                                                                                                                         |                      |                                             |                                                                 |              |
| <b>SUPPLIER INFORMATION</b>                                                                                                                                                           |                                                                                                                                                                         |                      |                                             |                                                                 |              |
| NAME OF BIDDER                                                                                                                                                                        |                                                                                                                                                                         |                      |                                             |                                                                 |              |
| POSTAL ADDRESS                                                                                                                                                                        |                                                                                                                                                                         |                      |                                             |                                                                 |              |
| STREET ADDRESS                                                                                                                                                                        |                                                                                                                                                                         |                      |                                             |                                                                 |              |
| TELEPHONE NUMBER                                                                                                                                                                      | CODE                                                                                                                                                                    |                      | NUMBER                                      |                                                                 |              |
| CELLPHONE NUMBER                                                                                                                                                                      |                                                                                                                                                                         |                      |                                             |                                                                 |              |
| FACSIMILE NUMBER                                                                                                                                                                      | CODE                                                                                                                                                                    |                      | NUMBER                                      |                                                                 |              |
| E-MAIL ADDRESS                                                                                                                                                                        |                                                                                                                                                                         |                      |                                             |                                                                 |              |
| VAT REGISTRATION NUMBER                                                                                                                                                               |                                                                                                                                                                         |                      |                                             |                                                                 |              |
| TAX COMPLIANCE STATUS                                                                                                                                                                 | TCS PIN:                                                                                                                                                                |                      | <b>OR</b>                                   | CSD No:                                                         |              |
| SPECIFIC GOALS STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]                                                                                                            | <input type="checkbox"/> Yes<br><br><input type="checkbox"/> No                                                                                                         |                      | SPECIFIC GOALS STATUS LEVEL SWORN AFFIDAVIT | <input type="checkbox"/> Yes<br><br><input type="checkbox"/> No |              |
| <b>[A SPECIFIC GOALS STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR SPECIFIC GOALS]</b> |                                                                                                                                                                         |                      |                                             |                                                                 |              |

|                                                                                               |                                                                                    |                                                                            |                                                                                        |
|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED? | <input type="checkbox"/> Yes <input type="checkbox"/> No<br>[IF YES ENCLOSE PROOF] | ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICE S /WORKS OFFERED ? | <input type="checkbox"/> Yes <input type="checkbox"/> No<br>[IF YES, ANSWER PART B:3 ] |
| TOTAL NUMBER OF ITEMS OFFERED                                                                 |                                                                                    | TOTAL BID PRICE                                                            | R                                                                                      |
| SIGNATURE OF BIDDER                                                                           | .....                                                                              | DATE                                                                       |                                                                                        |
| CAPACITY UNDER WHICH THIS BID IS SIGNED                                                       |                                                                                    |                                                                            |                                                                                        |
| <b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>                                        |                                                                                    | <b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>                           |                                                                                        |
| DEPARTMENT                                                                                    | Supply Chain                                                                       | CONTACT PERSON                                                             | Mr. M. Maroun                                                                          |
| CONTACT PERSON                                                                                | Ms. M. Ralinotsi                                                                   | TELEPHONE NUMBER                                                           | 017 734 6104                                                                           |
| TELEPHONE NUMBER                                                                              | 017 734 6163                                                                       | FACSIMILE NUMBER                                                           | 086 6302209                                                                            |
| FACSIMILE NUMBER                                                                              | 086 6302209                                                                        | E-MAIL ADDRESS                                                             | <a href="mailto:mduduzim@pixleykaseme.gov.za">mduduzim@pixleykaseme.gov.za</a>         |
| E-MAIL ADDRESS                                                                                | <a href="mailto:melodyr@pixleykaseme.gov.za">melodyr@pixleykaseme.gov.za</a>       |                                                                            |                                                                                        |

**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 ONLINE**
- 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC 2015 3<sup>rd</sup> Edition) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.

**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 VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE [WWW.SARS.GOV.ZA](http://WWW.SARS.GOV.ZA).
- 2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.
- 2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
- 2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
- 2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.

**3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS**

- 3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?  
☐ YES ☐ NO
- 3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?  
☐ YES ☐ NO
- 3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?  
☐ YES ☐ NO
- 3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?  
☐ YES ☐ NO
- 3.5. 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 ABOVE.**

**NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID. NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.**

SIGNATURE OF BIDDER: .....

CAPACITY UNDER WHICH THIS BID IS SIGNED: .....

DATE: .....

## **TERMS OF REFERENCE**

### **1. OBJECTIVE**

The objective of this proposal and specifications is to appoint suitable, qualified, and competent Law Firms(s) with necessary and adequate capacity and experience in dealing with legal matter(s) in the local government sphere.

The successful law firm(s) shall serve in the Dr Pixley Ka Isaka Seme Local Municipality panel of law firms and conveyancers for a period of 36 months. This will ensure that a database for successful law firm is readily available to the municipality and may be contracted as and when required.

Dr Pixley Ka Isaka Seme Local Municipality hereby invites suitably qualified legal firms to submit proposals.

### **2. SCOPE OF WORK / AREAS OF SERVICE**

The panel shall be constituted by law firms providing a full spectrum of legal services in following areas of law;

The panel shall be constituted by law firms providing a full spectrum of legal services in following areas of law;

|    |                                                                                                               |
|----|---------------------------------------------------------------------------------------------------------------|
| 1  | Broad-based black economic empowerment;                                                                       |
| 2  | Purchase and sale of assets;                                                                                  |
| 3  | Advice on appropriate structures;                                                                             |
| 4  | Due diligence investigations and reports thereof (forensics);                                                 |
| 5  | Drafting of contracts and related legal instruments;                                                          |
| 6  | Compliance and corporate governance                                                                           |
| 7  | Municipal Finance Management Act and all regulations, instructions and guidelines issued by National Treasury |
| 8  | Professional liability claims;                                                                                |
| 9  | Labour law and industrial relations (litigation and mediation)                                                |
| 10 | Public procurement regulation; and                                                                            |
| 11 | Competition law,                                                                                              |
| 12 | Commercial and corporate law                                                                                  |
| 13 | Policy formulation and legislative framework                                                                  |
| 14 | Property and housing development                                                                              |
| 15 | Debt collection                                                                                               |
| 16 | Town Planning related matter                                                                                  |
| 17 | Contract Management                                                                                           |
| 18 | Litigation (Civil and Criminal)                                                                               |
| 19 | Public Private Partnership                                                                                    |
| 20 | Forensic Investigations                                                                                       |
| 21 | Conveyancing                                                                                                  |
| 22 | Insurance law                                                                                                 |
| 23 | Banking and Finance Law                                                                                       |
| 24 | Regulatory Law                                                                                                |
| 25 | Any other legal related matters                                                                               |

### **3. SUBMISSION REQUIREMENTS**

To be considered for evaluation, a bidder's proposal must comply with the following minimum requirements:

- 3.1** Bidder's Company Profile with a clear organogram showing roles, responsibilities and traceable experience proving that the bidder has been in existence and practicing for the period of five (5) years or more, prior to the closing date of this proposal;
- 3.2** Lead attorney(s)'s proof of qualifications (the phrase 'lead attorney' refers to a legal practitioner who will be primarily responsible for carrying out the work that might be assigned to the bidder by Dr Pixley Ka Isaka Seme Local Municipality as per the identified area (s) of service in paragraph 2 hereof);
- 3.3** Curriculum vitae of the lead attorney(s) reflecting the following:
  - 3.3.1** Qualifications;
  - 3.3.2** Area(s) of service and years of experience in the identified area(s) of service as referred to in paragraph 2 hereof;
  - 3.3.3** Proof that the lead attorney(s) has at least more than five (5) years post admission experience in the identified area(s) of service as referred to in paragraph 2 hereof.
- 3.4** No less than three reference letters from the clients whom the bidder has provided services similar to the ones listed in the identified areas of service as stated in paragraph 2 hereof.

### **4. CONTRACT DURATION**

The duration of contract for the Panel of Legal Firms will be for a period of 36 months.

### **5. REQUIREMENT OF TENDER**

Based on the above-indicated specifications, Dr Pixley Ka Isaka Seme Local Municipality intends to appoint panel of legal firms for provision of legal services as and when required by DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY for the period of thirty six (36) months.

### **6. ACCEPTANCE OF SUBMISSION**

Dr Pixley Ka Isaka Seme Local Municipality is not obliged to accept any or the lowest bidder in terms of price as the award will be based on the total highest points scored. The 80/20 point system will apply on this tender.

## 7. PRICING SCHEDULE

Fees should be indicated in an hourly rate. Distinction should be made between fees for junior and senior attorneys

The lead attorney's hourly fee, including that of the lead attorney's applicable professional staff

The Municipality shall brief attorneys on the basis of the Firm's fee structure which shall be on hourly rate and therefore time-based. The attorneys' rate or hourly rate shall not exceed the pricing Schedule set by the Municipality in terms of the Laws and Regulations regulating pricing and fees by the Professional Bodies regulating the Legal Practitioners in the Republic of South Africa. In exceptional cases and depending on the complexity of the matter, the rate may be adjusted to a fee agreed to by the Municipality and the Legal Practitioner or the Firm. The fee structure shall address and cover the following items over a period of three (3) years:

Fee Structure Proposal (compulsory)

| No | Scope of Work                            | (a)Magistrate Court | (b) High Court | (c) Labour Court | (d)Non-Litigious |
|----|------------------------------------------|---------------------|----------------|------------------|------------------|
| 1  | Taking Instructions                      |                     |                |                  |                  |
| 2  | Day Rate                                 |                     |                |                  |                  |
| 3  | Hourly Rate                              |                     |                |                  |                  |
| 4  | Drafting p/h                             |                     |                |                  |                  |
| 5  | Perusal p/h                              |                     |                |                  |                  |
| 6  | Study /Research p/h                      |                     |                |                  |                  |
| 7  | Drawing / Perusing Correspondence p/ ¼hr |                     |                |                  |                  |
| 8  | Making/Receiving Telephone Calls p/ ¼hr  |                     |                |                  |                  |
| 9  | Copying of document per page             |                     |                |                  |                  |
| 10 | Travelling/Waiting Time p/h              |                     |                |                  |                  |
| 11 | Consultation p/h                         |                     |                |                  |                  |
| 12 | Attending Court p/h                      |                     |                |                  |                  |

## AREAS OF SERVICE

Mark with an **x** the core function(s) (**maximum of 4 core functions**) per law firm, choosing more than 4 will lead to automatically disqualification

| No | Function                                                                                                      | Mark in <b>X</b> |
|----|---------------------------------------------------------------------------------------------------------------|------------------|
| 1  | Broad-based black economic empowerment;                                                                       |                  |
| 2  | Purchase and sale of assets;                                                                                  |                  |
| 3  | Advice on appropriate structures;                                                                             |                  |
| 4  | Due diligence investigations and reports thereof (forensics);                                                 |                  |
| 5  | Drafting of contracts and related legal instruments;                                                          |                  |
| 6  | Compliance and corporate governance                                                                           |                  |
| 7  | Municipal Finance Management Act and all regulations, instructions and guidelines issued by National Treasury |                  |
| 8  | Professional liability claims;                                                                                |                  |
| 9  | Labour law and industrial relations (litigation and mediation)                                                |                  |
| 10 | Public procurement regulation; and                                                                            |                  |
| 11 | Competition law,                                                                                              |                  |
| 12 | Commercial and corporate law                                                                                  |                  |
| 13 | Policy formulation and legislative framework                                                                  |                  |
| 14 | Property and housing development                                                                              |                  |
| 15 | Debt collection                                                                                               |                  |
| 16 | Town Planning related matter                                                                                  |                  |
| 17 | Contract Management                                                                                           |                  |
| 18 | Litigation (Civil and Criminal)                                                                               |                  |
| 19 | Public Private Partnership                                                                                    |                  |
| 20 | Forensic Investigations                                                                                       |                  |
| 21 | Conveyancing                                                                                                  |                  |
| 22 | Insurance law                                                                                                 |                  |
| 23 | Banking and Finance Law                                                                                       |                  |
| 24 | Regulatory Law                                                                                                |                  |
| 25 | Any other legal related matters                                                                               |                  |

## SHORTLISTING CRITERIA

The functional evaluation criteria are as indicated on the table below, the bidders must score a minimum of 60 points out of 80 points to be considered for the next stage of evaluation

| CRITERIA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | SCORE     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Qualification and experience of Director(s):<br>Academic qualifications and experience of lead attorney(s) or director(s) with appropriate skills, adequate experience and capacity to manager the assignments as per the scope of work and areas of service.<br><b>Scores:</b><br><br>LLB/B Proc with 8 years of experience and above = 40 points<br>LLB/B Proc with 5-7 years of experience and above = 30 points<br>LLB/B Proc with 2-4 years of experience and above = 20 points<br>LLB/B Proc with 1 year = 10 points | 40        |
| Experience of the Law Firm:<br>Traceable years of experience in the practice of law (same should be clear in the company profile)<br><br><b>Scores:</b><br>From 8 years and above = 40 points<br>From 5-7 years = 30 points<br>From 2-4 years = 20 points<br>1 year = 10 points                                                                                                                                                                                                                                            | 40        |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>80</b> |

## 8. RESERVATION OF RIGHTS

DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY reserves the right to:

- Extend the tender period.
- Amend the requirements at any time prior to the closing date, provided that the amendment is notified to prospective respondents.
- Seek information from or negotiate with one or more of the respondents on any issue at any time and to continue to negotiate with other respondents.
- Abandon this process whether before or after the receipt of submissions.
- Make enquiries of any person, company or organization to ascertain information regarding the respondent and its submission.

## 9. RETURNABLE DOCUMENTS THAT MUST ACCOMPANY THE TENDER OR PROPOSAL, FAILURE TO PROVIDE THE DOCUMENTATION SHALL CONSTITUTE AUTOMATIC DISQUALIFICATION

- Valid statement of municipal account, not older than 3 months and not in arrears and a copy of a lease agreement that is accompanied by the municipal account ;
- Signed declaration of Interest (MBD 4 Form);
- Company registration certificate; (if applicable and where the practice is incorporated), sole practitioners and partnerships will require confirmation form the

- LPC that they are active and in practice plus the practitioner's or partners' certified copy of ID'S (not older than 3 months);
- d) CSD number and latest CSD report summary ;
  - e) Valid BBBEE Certificate;
  - f) SARS Pin /Tax compliant status;
  - g) Letter of authority for signatory;
  - h) The companies' fees structure
  - i) Certified ID copies of director (s) not older than 3 months;
  - j) Letter of Good Standing from Legal Practice Council (Not older than 3 months)
  - k) Certificate of admission as an attorney of the High Court of South Africa;
  - l) Certificate of admission as Conveyancer (if applicable) and
  - m) Curriculum Vitae's of the professional official (s) and their certified copies of qualifications(*not older than 3 months*);
  - n) Proof of Trust Account;
  - o) Submission of a valid fidelity fund certificate;
  - p) Incomplete table on areas of service in the bid document will render the proposal non-responsive
  - q) Tender document completed in full.

#### **SCHEDULE OF PREVIOUS CONTRACT AWARDED TO THE BIDDER FOR SIMILAR SERVICES**

The Bidder must insert in the spaces provided below a complete list of previous appointments awarded to him. This information shall be deemed to be material for inclusion in the panel.

| EMPLOYER<br>(NAME,<br>TEL AND EMAIL<br>ADDRESS. | DESCRIPTION<br>OF SERVICES<br>RENDERED | VALUE OF<br>CONTRACT | YEAR<br>COMPL ETED |
|-------------------------------------------------|----------------------------------------|----------------------|--------------------|
|                                                 |                                        |                      |                    |

SIGNED ON BEHALF OF BIDDER:

\_\_\_\_\_

**AMENDMENTS OR QUALIFICATIONS BY THE BIDDER**

| PAGE | DESCRIPTION |
|------|-------------|
|      |             |

SIGNED ON BEHALF OF BIDDER:

\_\_\_\_\_

### **SPECIAL CONDITIONS OF THE BID**

1. **The appointment of panel of legal firm(s) shall**
2. All the returnable schedules must be completed to enable the evaluation of the tender. **No points will be allocated in the evaluation if the relevant schedules are not completed in full.**
3. Bidders must initial **all the pages** of the Bid document and sign the Bidder particulars page in full.
4. Bidders must complete the original Bid document in **black ink**, and notice must be taken that correction fluid (e.g tippex) must not be used in the document.
5. The transaction shall be subject to any stipulations in any Act, Ordinance or By-law pertaining thereto.
6. No bid by any person that is not competent to enter into an agreement will be considered and if it is established that it is the case, the contract agreement in this regard will be considered null and void by Council.
7. Disputes must be settled by means of mutual consultation, mediation (with or without legal representation) or when unsuccessful, in a South African court of law on an attorney and client scale.
8. Should any legal action be deemed necessary to determine any aspect arising out of these conditions or to enforce any rights in terms of these conditions, then and in that event the parties hereto agree categorically to the jurisdiction of the Magistrate's Court to hear such action and to pass judgment notwithstanding the fact that the cause of action is beyond the jurisdiction of the Court: Provided always that Council shall have the right in its sole discretion to take action in any competent higher court in any matter exceeding the ordinary jurisdiction of the Magistrate's Court.

**Council reserves the right not to accept any proposal in a tender submitted or part thereof**

## MBD 2

### TAX CLEARANCE CERTIFICATE REQUIREMENTS

**It is a condition of bid that the taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.**

1. In order to meet this requirement bidders are required to complete in full the attached form TCC 001 "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.
2. SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
3. The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.
4. In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.
5. Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website [www.sars.gov.za](http://www.sars.gov.za).
6. Applications for the Tax Clearance Certificates may also be made via e-Filing. In order to use this provision, taxpayers will need to register with SARS as e-Filing through the website [www.sars.gov.za](http://www.sars.gov.za)

## DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state\*.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority and/or take an oath declaring his/her interest.

3. **To give effect to the above, the following questionnaire must be completed and submitted with the bid.**

3.1 Full Name: .....

3.2 Identity Number: .....

3.3 Company Registration Number: .....

3.4 Tax Reference Number: .....

3.5 VAT Registration Number: .....

3.6 Are you presently in the service of the state\* YES / NO

3.6.1 If so, furnish particulars.

.....

.....

3.7 Have you been in the service of the state for the past twelve months? YES / NO

3.7.1 If so, furnish particulars.

.....

---

\* MSCM Regulations: "in the service of the state" means to be –

(a) a member of –

- (i) any municipal council;
- (ii) any provincial legislature; or
- (iii) the national Assembly or the national Council of provinces;

(b) a member of the board of directors of any municipal entity;

(c) an official of any municipality or municipal entity;

(d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);

(e) a member of the accounting authority of any national or provincial public entity; or

(f) an employee of Parliament or a provincial legislature.

.....  
3.8 Do you, have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid?

YES / NO

3.8.1 If so, furnish particulars.

.....  
.....

3.9 Are you, aware of any relationship (family, friend, other) between a bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid?

YES / NO

3.9.1 If so, furnish particulars.

.....  
.....

3.10 Are any of the company's directors, managers, principal Shareholders or stakeholders in service of the state?

YES / NO

3.9.1 If so, furnish particulars.

.....  
.....

3.11 Are any spouse, child or parent of the company's directors, managers, principal shareholders or stakeholders in service of the state?

YES / NO

3.11.1 If so, furnish particulars.

.....

#### **CERTIFICATION**

I, THE UNDERSIGNED (NAME) .....

**CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS CORRECT.**

**I ACCEPT THAT THE STATE MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.**

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder

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

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

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

### 1. GENERAL CONDITIONS

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

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

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

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

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

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

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

The maximum points for this tender are allocated as follows:

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

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

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

## 2. DEFINITIONS

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

## 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### 3.1. POINTS AWARDED FOR PRICE

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

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

$$\begin{array}{ccc} \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\ \\ \mathbf{Ps = 80 \left( 1 - \frac{Pt - P_{min}}{P_{min}} \right)} & \mathbf{or} & \mathbf{Ps = 90 \left( 1 - \frac{Pt - P_{min}}{P_{min}} \right)} \end{array}$$

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**

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

Where

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

### 4. POINTS AWARDED FOR SPECIFIC GOALS

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

then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

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

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

| The specific goals allocated points in terms of this tender               | Number of points allocated (80/20 system)<br>(To be completed by the organ of state) | Number of points claimed (80/20 system)<br>(To be completed by the tenderer) |
|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| Enterprises that are at least 51% women-owned                             | 3                                                                                    |                                                                              |
| Enterprises that are at least 51% youth-owned                             | 3                                                                                    |                                                                              |
| People with Disability                                                    | 3                                                                                    |                                                                              |
| Locality (within Dr Pixley Ka Isaka Seme Local Municipality jurisdiction) | 2                                                                                    |                                                                              |
| GSDM Jurisdiction                                                         | 4                                                                                    |                                                                              |
| Mpumalanga Province                                                       | 3                                                                                    |                                                                              |
| National (South Africa)                                                   | 2                                                                                    |                                                                              |
| <b>TOTAL</b>                                                              | <b>20</b>                                                                            |                                                                              |

## 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 *audialteram partem* (hear the other side) rule has been applied; and
  - (e) forward the matter for criminal prosecution, if deemed necessary.

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

## DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

1. This Municipal Bidding Document must form part of all bids invited.
2. It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
3. The bid of any bidder may be rejected if that bidder, or any of its directors have:
  - a) abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
  - b) been convicted for fraud or corruption during the past five years;
  - c) willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
  - d) been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
4. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

| Item  | Question                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Yes                          | No                          |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| 4.1   | <p>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?</p> <p>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</p> <p>The Database of Restricted Suppliers now resides on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</p> | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 4.1.1 | If so, furnish particulars:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                              |                             |
| 4.2   | <p>Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?</p> <p>The Register for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</p>                                                                                                                                                                                                                                                                            | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

|       |                             |                          |                          |
|-------|-----------------------------|--------------------------|--------------------------|
| 4.2.1 | If so, furnish particulars: | <input type="checkbox"/> | <input type="checkbox"/> |
|-------|-----------------------------|--------------------------|--------------------------|

| Item  | Question                                                                                                                                                                                                                               | Yes                      | No                       |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| 4.3   | Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?                                                 | Yes                      | No                       |
| 4.3.1 | If so, furnish particulars:                                                                                                                                                                                                            | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.4   | Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months? | Yes                      | No                       |
| 4.4.1 | If so, furnish particulars:                                                                                                                                                                                                            | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.5   | Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?                         | Yes                      | No                       |
| 4.7.1 | If so, furnish particulars:                                                                                                                                                                                                            |                          |                          |

## CERTIFICATION

I, THE UNDERSIGNED (FULL NAME) ..... CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM TRUE AND CORRECT.

I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder

## CERTIFICATE OF INDEPENDENT BID DETERMINATION

1. This Municipal Bidding Document (MBD) must form part of all bids invited.
2. Section 4(1)(b)(iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).<sup>2</sup> Collusive bidding is a *per se* prohibition meaning that it cannot be justified under any grounds.
3. Municipal Supply Regulation 38(1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
  - a. take all reasonable steps to prevent such abuse;
  - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
  - c. Cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
4. This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
5. In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

<sup>1</sup> Includes price quotations, advertised competitive bids, limited bids and proposals.

<sup>2</sup> Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.

**MBD 9**

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid

---

(Bid Number and Description)

in response to the invitation for the bid made by:

---

(Name of Municipality / Municipal Entity)

do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of: \_\_\_\_\_ that  
(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
  - (a) has been requested to submit a bid in response to this bid invitation;
  - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder.
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:

- (a) prices;
  - (b) geographical area where product or service will be rendered (market allocation);
  - (c) methods, factors or formulas used to calculate prices;
  - (d) the intention or decision to submit or not to submit, a bid;
  - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
  - (f) bidding with the intention not to win the bid
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. 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.
10. 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.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder

**<sup>3</sup> 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.**

**DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY**



**TENDER NOTICE**

Tenders are hereby invited from Service Providers to submit bids for the tender as detailed in the below table:

| <b>TENDER NO.</b> | <b>PROJECT NAME</b>                                                                                                      | <b>ENQUIRIES</b>                                                            | <b>COMPULSORY BRIEFING SESSION DATE &amp; TIME</b>                                                      | <b>CLOSING DATE</b>                 |
|-------------------|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-------------------------------------|
| T08/2023          | PANEL OF LEGAL FIRMS FOR PROVISION OF LEGAL SERVICES AS AND WHEN REQUIRED BY DPKISLM FOR A PERIOD OF THIRTY (36) MONTHS. | Ms. M.Ralinotsi Tel: 017 734 6100 or Adv. M. Maroun for Technical enquiries | Tuesday, 26 September 2023 at 10:00<br>(Failure to attend will result in a bidder not being considered) | Thursday, 05 October 2023 at 12:00. |

Tender documents will be obtainable from **Tuesday, 26 September 2023** from 09:00 at the Finance Department (Volksrust Offices) upon payment of a non-refundable tender levy for an amount of R594.00 or may be downloadable free of charge from [www.etenders.gov.za](http://www.etenders.gov.za). Only bank guaranteed cheques or cash will be accepted. The compulsory briefing session will be held as per the abovementioned dates at the municipal offices in Volksrust and tenderers are expected to meet the Municipal representatives punctually as indicated.

**Duly completed tenders must be sealed in an envelope clearly marked: "MUNICIPAL MANAGER, DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY, TENDER NO. AND PROJECT NAME (as indicated in the table above) - CLOSING DATE: as indicated above must be placed in the tender box at Dr Pixley Ka Seme Local Municipality offices, c/o Adelaide Tambo Street & Dr Nelson Mandela Drive in Volksrust when tenders will be opened in public.**

Late tenders, incomplete tender documents and tenders per email or fax will not be accepted and the Dr Pixley Ka Isaka Seme Local Municipality does not bind itself to accept the lowest or any tender. Dr Pixley Ka Isaka Seme Local Municipality reserves itself the right to accept a tender as a whole or in part. All the administrative enquiries can be directed to Ms.M.Ralitsi - Tel 017 734 6163

**M.A. NGCOBO  
MUNICIPAL MANAGER**

**Notice Number: 68/2023**



# **THE NATIONAL TREASURY**

**Republic of South Africa**



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## **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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1. Definitions
2. Application
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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](http://www.treasury.gov.za)

**4. Standards**

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

**5. Use of contract documents and information; inspection.**

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

**6. Patent rights**

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

**7. Performance security**

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

**8. Inspections, tests and analyses**

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

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

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

## **9. Packing**

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

## **10. Delivery and documents**

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

## **11. Insurance**

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

## **12. Transportation**

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

## **13. Incidental services**

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

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

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

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

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

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

#### **15. Warranty**

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

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

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

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

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

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

**16. Payment**

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

**17. Prices**

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

**18. Contract amendments**

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

**19. Assignment**

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

**20. Subcontracts**

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

**21. Delays in the supplier's performance**

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

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

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

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

## **22. Penalties**

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

## **23. Termination for default**

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

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

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

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

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

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

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

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

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

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

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

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

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

may be due to him

**25. Force Majeure**

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

**26. Termination for insolvency**

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

**27. Settlement of Disputes**

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

**28. Limitation of liability**

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

|                                                              |      |                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------------------|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                              |      | (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.                                                                                                    |
| <b>29. Governing language</b>                                | 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.                                                                                                                                                                                         |
| <b>30. Applicable law</b>                                    | 30.1 | The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.                                                                                                                                                                                                                                                            |
| <b>31. Notices</b>                                           | 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.                                                                                                                                                                                             |
| <b>32. Taxes and duties</b>                                  | 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.                                                                        |
| <b>33. National Industrial Participation Programme (NIP)</b> | 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.                                                                                                                                                                                                                    |
| <b>34 Prohibition of Restrictive practices</b>               | 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.

Js General Conditions of Contract (revised July 2010)