

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NATIONAL TREASURY)					
BID NUMBER:	RFQ664-2025	CLOSING DATE:	08 APRIL 2026	CLOSING TIME:	11:00 AM
DESCRIPTION	THE APPOINTMENT OF A SERVICE PROVIDER TO REVISE THE VOLUNTARY FINANCIAL RECOVERY PLAN FOR THE MSUNDUZI LOCAL MUNICIPALITY FOR A PERIOD OF THREE (3) MONTHS				
BID RESPONSE DOCUMENTS MAY BE SUBMITTED TO THE ADDRESS BELOW					
National Treasury					
40 Church Square, PRETORIA, 0001					
1st Floor Supply Chain Management, Att: Rachel Sehabetla					
OR SCMLeadResponse4@treasury.gov.za					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	Rachel Sehabetla Vambisa Shingange		CONTACT PERSON	Nombulelo Nzama Unathi Lekonyana	
TELEPHONE NUMBER	012 315 5806 / 012 395 6536		TELEPHONE NUMBER		
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	Vambisa.shingange@treasury.gov.za SCMLeadResponse4@treasury.gov.za		E-MAIL ADDRESS	Nombulelo.Nzama.treasury.gov.za Unathi.Lekonyana@treasury.gov.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?		☐ Yes ☐ No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?					☐ YES ☐ NO
DOES THE ENTITY HAVE A BRANCH IN THE RSA?					☐ YES ☐ NO
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?					☐ YES ☐ NO
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?					☐ YES ☐ NO
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?					☐ YES ☐ NO
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.					

PART B

TERMS AND CONDITIONS FOR BIDDING

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

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

SIGNATURE OF BIDDER:

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

DATE:



**THE APPOINTMENT OF A SERVICE PROVIDER TO REVISE THE VOLUNTARY FINANCIAL RECOVERY
PLAN FOR THE MSUNDUZI LOCAL MUNICIPALITY FOR A PERIOD OF THREE (3) MONTHS**

RFQ664-2025

Date of issue	27 March 2026
Briefing Session/Site inspection (Compulsory/Non-Compulsory)	N/A
	N/A
Last date for submission of enquiries/clarifications	02 April 2026 at 16:00
RFQ Validity Period	60 calendar days (Commencing from the RFQ closing date)
RFQ Closing Date and time	08 April 2026 at 11:00am
Enquiries and submission of proposals	For submission of enquiries: Email: SCMLLeadResponse4@treasury.gov.za (<i>Please use RFQ No and RFQ Description as subject reference</i>)
Submission of proposals	SCMLLeadResponse4@treasury.gov.za
National Treasury Hours	08h00 – 16h30

1. INTRODUCTION

The National Treasury's legislative mandate is based on chapter 13 of the Constitution. As set out in the Public Finance Management Act and other laws governing financial and fiscal affairs, the Treasury is mandated to promote the national government's fiscal policy and the coordination of macroeconomic policy; ensure the stability and soundness of the financial system and financial services; coordinate intergovernmental financial and fiscal relations; manage the budget preparation process; and enforce transparency and effective management in respect of revenue and expenditure, assets and liability, public entities and constitutional requirements.

2. INVITATION OF QUOTATIONS

Quotations/ Proposals are hereby invited for the revision of the voluntary financial recovery plan for the Msunduzi Local Municipality for a period of three (3) months.

3. SPECIFICATIONS OF THE REQUIRED SERVICE

Refer to the attached Terms of Reference

4. SUBMISSION REQUIREMENTS

- 4.1 Bidders must use the RFQ number and RFQ Description as the subject reference number when submitting their bids.
- 4.2 Documents submitted via cloud solutions such as: WeTransfer, Google Drive, Dropbox, etc. will not be considered.
- 4.3 The naming / labelling of files or documents must be short and simple.

5. PRICING REQUIREMENTS

- 5.1 Pricing must be provided in South African Rand (including all applicable taxes less all unconditional discounts).
- 5.2 Bidders must confirm any validity extension in writing upon request.
- 5.3 No services or goods shall be rendered until an official NT Purchase Orders is issued or SLA is signed.
- 5.4 Payment will be according to the [National Treasury Payment Terms and Conditions](#).
- 5.5 Please provide detailed price quotation on a company letterhead.
- 5.6 The proposal must be valid for a minimum of 60 calendar days.
- 5.7 Bidders must confirm any validity extension in writing upon request.

6. SUMMARY OF EVALUATION CRITERIA

6.1 RFQ Evaluation Stages

The RFQ evaluation process consists of three stages, a bidder must qualify for each stage to be eligible to proceed to the next stage of the evaluation. The stages are as follows:

Table 3: RFQ Evaluation Stages

Stage	Description
Stage 1	Administrative Requirements Evaluation
Stage 2	Specification Evaluation
Stage 3	Preference Points System (Price and Specific Goals) Evaluation

6.2 Stage 1: Administrative Requirements Evaluation

6.2.1 Mandatory Requirements

- a) Bidders must submit a fully completed pricing schedule SBD 3.3 and provide a detailed breakdown of pricing for each deliverable on the company letterhead.

Failure to comply to the requirement will lead to disqualification of the bidder.

6.2.2 Additional Requirements (Not for elimination).

- a) Proof of Central Supplier Database (CSD) full report.
- b) Standard Bidding Document (SBD 1) Form
- c) Standard Bidding Document (SBD 4) Form
- d) Standard Bidding document (SBD 6.1) Preference Points Award Form (Bidders must submit Sworn affidavit or B-BBEE certificate to claim preference points)
- e) Tax Compliance Status (TCS) PIN Number issued by SARS.
- f) CIPC registration certificate.

Failure to comply with the requirement within 7 working days after being informed will lead to invalidation of your bid.

NOTE:

- ***The National Treasury may contact bidders in case additional information is required.***

6.3 Stage 2: Specification Evaluation

- a) Bidders will be evaluated against the provided terms of reference.

6.4 Stage 3: Preference Point System

In terms of Preferential Procurement Regulations, 2022, Regulation 4(1) the applicable Preference Point System for this tender is 80/20, Price (80), and Specific Goals (20). In terms of Regulation 4(2-4) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. The bidder must provide the relevant proof/ required documents for each preference point system indicated.

6.4.1 Pricing Evaluation

- The Service Provider must cost for the supply of the required goods/services. For financial evaluation purposes, the service provider must provide a pricing schedule.
- **Bidders must submit a fully completed pricing schedule SBD 3.3 and provide a detailed breakdown of pricing for each deliverable on the company letterhead.**
- The National Treasury reserves the right to negotiate rates submitted by bidders.

6.4.2 Specific Goals

For the purposes of this tender, the tenderer will be allocated points based on the goals stated and should be supported by proof/ documentation stated in Table 5 below.

Specific goals for the tender and points to be claimed are indicated in the table below:

The bidders who complied with the mandatory requirements and meet the minimum threshold of this bid were evaluated according to the Preference Point Scoring System as determined in the Preferential Procurement Regulations, 2022, pertaining to the Preferential Procurement Policy Framework Act, Act No 5 of 2000.

The following preference point system is applied to all the bids:

Table 5: Specific Goals

	Specific goals	Score	Required proof/ documents to be submitted for evaluation purposes
1.	The company owned by people who are Youth. • 100% company owned by Youth = 5 points • 75% - 99% company owned by Youth = 3 points • 60% - 74% company owned by Youth = 2 point • 51%- 59% company owned by Youth = 1 point • 0 - 50% company owned by Youth = 0 point	5 points	Proof of claim as declared on SBD 6.1 (one or more of the following will be used verifying the tenderer's status: • Company Registration Certification/document (CIPC) • Company Shareholders certificate • Certified identification documentation of company director/s • B-BBEE Certificate of the tendering company. • Consolidated B-BBEE certificated if the tendering company is a Consortium, Joint Venture, or Trust (Issued by verification agency accredited by the South African Accreditation System). • Agreement for a Consortium, Joint Venture, or Trust.
2.	The company is owned by black people. • 100% company owned by black people = 5 points • 75% - 99% company owned by black people = 3 points • 60% - 74% company owned by black people = 2 point • 51%- 59% company owned by black people = 1 point • 0 - 50% company owned by black people = 0 point •	5 points	
3.	The company owned by HDI (Women). • 100% company owned by women = 5 points	5 points	

	• 75% - 99% company owned by women = 3 points • 60% - 74% company owned by women = 2 point • 51%- 59% company owned by women = 1 point • 0 - 50% company owned by women = 0 point		
4.	The company owned by people who are disabled. • 100% company owned by people who are disabled = 5 points • 75% - 99% company owned by people who are disabled = 3 points • 60% - 74% company owned by people who are disabled = 2 point • 51%- 59% company owned by people who are disabled = 1 point • 0 - 50% company owned by people who are disabled = 0 point	5 points	

6.4.3 Timeframe (Project Duration)

- The contract duration shall be for a period of 3 months,

7. TERMS AND CONDITIONS OF THE RFQ

- Bidders must not be registered under national treasury tender defaulters OR.
- Directors of the company must not be in the employment of the state or have criminal record.

8. TAX COMPLIANCE

No tender shall be awarded to a bidder who is not tax compliant. If a recommended bidder is not tax-complaint, the bidder will be notified in writing of their non-compliant status and the bidder will be

requested to submit written proof from SARS of their tax-compliant status or proof that they have made an arrangement to meet their outstanding tax obligations within seven (7) working days. Should they fail to do so NT will reject their bid.

The NT reserves the right to withdraw an award made, or cancel a contract concluded with a successful bidder in the event that it is established that such bidder was in fact not tax compliant at the time of the award or has submitted a fraudulent Tax Clearance Certificate to the NT, or whose verification against the Central Supplier Database (CSD) proves non-compliant. The NT further reserves the right to cancel a contract with a successful bidder in the event that such bidder does not remain tax compliant for the full term of the contract.

9. CONTACT DETAILS

Email: Rachel.Sehabetla@treasury.gov.za



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

REQUEST FOR QUOTATION

1. PROJECT TITLE:

REQUEST FOR QUOTATION: REVISION OF THE VOLUNTARY FINANCIAL RECOVERY PLAN FOR THE MSUNDUZI LOCAL MUNICIPALITY

2. BACKGROUND:

Chapter 13 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), (hereinafter referred to as the MFMA) deals with the resolution of financial problems in municipalities. Whilst the primary responsibility to avoid, identify and resolve financial problems rests with the municipality itself, Chapter 13 of the MFMA is aligned to S139 of the Constitution and requires either discretionary or mandatory intervention by the province where there are serious financial problems or a financial crisis in a municipality.

To give effect to Chapter 13 of the MFMA, the Municipal Financial Recovery Service (MFRS) unit is established as a Chief Directorate within the Intergovernmental Relations Division of the National Treasury. The functions and powers of the MFRS unit are outlined in S158 of the MFMA and include:

- The preparation of financial recovery plans (FRP) on request from the MEC for Finance in a Province.
- Monitoring the implementation by municipalities of any FRP that it has prepared.
- Recommend any amendments or revisions to the FRP as appropriate.
- On request by any municipality experiencing financial problems and in coordination with any provincial or national efforts, assist the municipality in identifying the causes of and potential solutions to these financial problems.
- Collect information on municipal financial problems and on best practices in resolving such problems.

The Msunduzi Local Municipality has experienced significant delays in implementing its voluntary FRP. More than three years after implementation commenced, the municipality remains in the Rescue Phase and has not progressed to the Stabilisation Phase. The slow pace of implementation has resulted in certain FRP activities becoming redundant or overtaken by events. As a result, the municipality has requested the MFRS to assist in revising the voluntary FRP. Given that FRP must be prepared within a specified timeframe, the MFRS unit has appointed a panel of service providers to assist with the preparation and revision of FRPs.

3. OVERALL OBJECTIVES:

The objective of this RFQ is to appoint a service provider to support the MFRS unit in revising the FRP for the Msunduzi Local Municipality, in alignment with the approach adopted by the Budget Council for the development of FRP.

The execution of this task will involve:

- a) determining the reasons for the non-implementation of the activities.
- b) determining whether the activities are still relevant.
- c) based on (a) and (b) above, set new timelines for the activities that are still relevant and where necessary, set out new activities and associated timelines.
- d) Set new FRP financial targets

The FRP must be prepared to ensure that the municipality is placed in a sound and sustainable financial state as soon as possible. It should further enable the municipality to fulfil its constitutional obligations and to provide uninterrupted basic services that meet the minimum required standards within its area of jurisdiction.

The appointment of a service provider is required urgently to assist with the revision of the FRP for the Msunduzi Local Municipality.

4. PRICING AND PAYMENT TERMS:

An all-inclusive price (VAT inclusive) must be quoted in monthly breakdowns over a 12-week period (3 months). The number of hours, hourly rates and disbursement costs must be specified in the financial proposal.

National Treasury reserves the right to negotiate pricing with the selected service providers in line with the National Treasury cost containment measures. Reimbursement will be made for disbursements associated with travel and accommodation expenses to the municipality. The department will allow 10% costing for disbursement of the total project cost per municipality.

National Treasury reserves the right to screen and vet shortlisted service providers and individual team members prior to appointment.

5. OTHER TERMS AND CONDITIONS

The project manager must have more than four (4) years of experience in the preparation of financial recovery plans. The service provider must provide names of (4) four municipalities that were assisted with FRP and the year in which it was completed as well as contactable references.

5.1 Table 1: Minimum Requirements

Description	Yes/No
The project manager must have more than four (4) years of experience in the preparation of financial recovery plans.	
The service provider must provide names of (4) four municipalities that were assisted with FRP and the year in which it was completed as well as contactable references	

Where the bidder repudiates or is not interested in the offer, National Treasury reserves the right not to make an award.

The replacement of the resources should be submitted together with the CVs to the National Treasury for consideration and approval before the replacement resource is deployed on the project.

Attendance of all scheduled meetings by the pillar experts, including the project manager, is compulsory.

A 5% penalty on a monthly invoice will be imposed on any deliverable that does not meet the minimum standards of MFRS based on the review notes by the MFRS team.

A separate 5% penalty will be imposed on the final invoice for failure to meet deadlines as outlined in the approved roadmap and project implementation plan.

The service provider must submit monthly invoices in line with the approved project implementation plan and related costs.

The work allocation to service providers will be on a rotational basis. Service providers allocated fewer municipalities in the previous round will be prioritized to maintain the rotational process.

6. MANDATORY REQUIREMENTS

- Bidders must submit a fully completed pricing schedule SBD 3.3 and provide a detailed breakdown of pricing for each deliverable on the company letterhead.

Failure to comply with the requirement will lead to disqualification of the bidder.

7. SCOPE OF WORK:

A financial recovery plan must include a Status Quo Assessment Report, FRP Report and an FRP Implementation Plan. The status quo assessment report provides an overall summary of the issues in the municipality, whilst the implementation plan is intended to deal with the objectives and activities in detail.

The service providers will be responsible for the execution of the following tasks:

(a) Preparation of a STATUS QUO assessment which involves:

- 7.1 To identify the key challenges in the municipality and their root causes.
- 7.2 Compiling a status quo assessment report for consultation with identified stakeholders:
 - Collect from the municipality, stakeholders, and other sources (PT, COGTA, websites, MFMA Database, etc.) all information needed to conduct a status quo assessment in the municipality.
 - Support workstream meetings for the relevant functional area (one for each of the 4 sustainability pillars) to engage further and involve the municipality and stakeholders in the status quo assessment process.
 - Conduct a comprehensive diagnostic assessment to determine the reasons for the crisis in a municipality's financial, governance, institutional and service delivery matters.
 - Assess a municipality's state of affairs in the relevant Municipal Sustainability Pillars.
 - Follow the key assessment areas in line with the MFRS Assessment Framework.
 - Pursue best practice assessment tools, including desktop and financial ratio analysis methodologies.

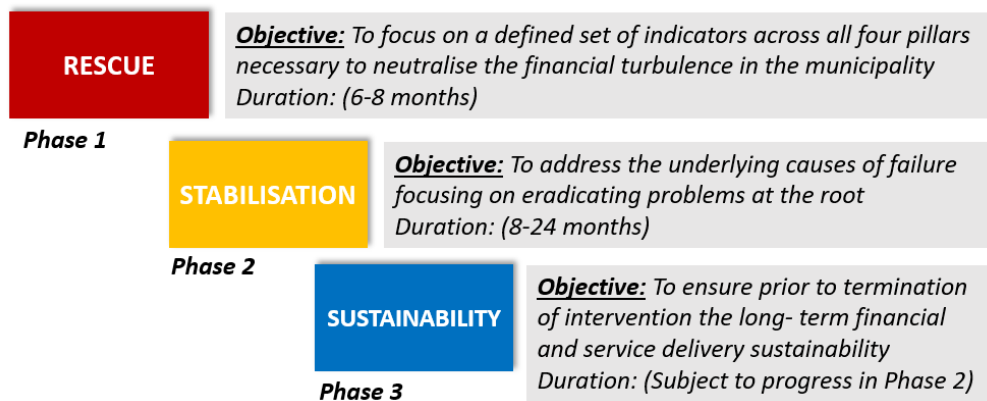
- Consider any existing FRP or Municipal Turn-Around Strategy findings and progress in the assessment process (in line with the MFMA requirement).
- Monitor progress against the timeframe in the approved FRP Preparation Roadmap.
- Determine the status quo, root causes of the financial problems or financial crisis and key findings to be used as baseline information to prepare an appropriate financial recovery plan.
- Provide the MFRS Team Leader for the municipality with the status quo assessment information covering the following 6 areas:
 - ✓ Focus Area
 - ✓ Brief diagnostic finding
 - ✓ Key issues
 - ✓ Root causes
 - ✓ Strategy to solve.
 - ✓ Source of information
- Support consultation sessions (in conjunction with the MFRS Team leader) with the municipality and provincial stakeholders to engage on the Status Quo Assessment Report Findings.
- Consider all input received from stakeholders and finalize the consolidated status quo assessment report for submission to the MFRS Team Leader for consolidation in the prescribed format.

7.3 Compile a FRP by following the approach detailed below:

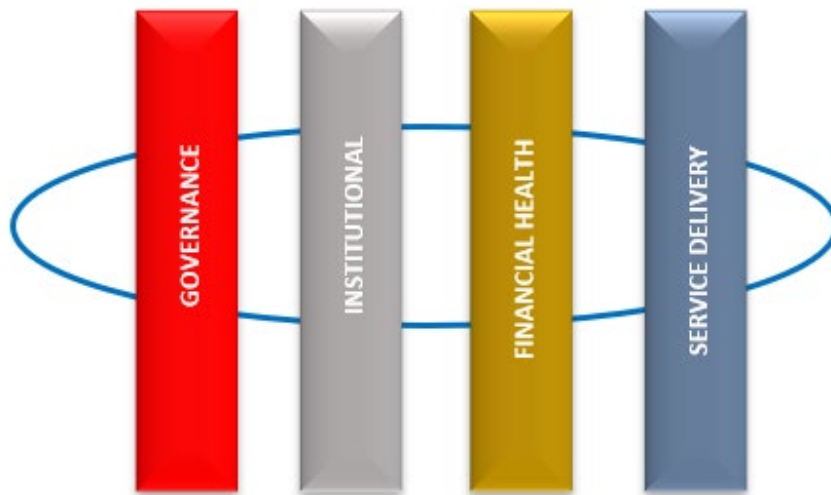
- Consider the information and outputs (identified financial problems, root causes of, and potential solutions for the financial problems) of the status quo assessment reports as input to compile the FRP Report in line with the format guided by the MFMA and MFRS FRP Framework.
- State the principal strategic objectives of the plan and ways and means for achieving those objectives.
- Set out specific strategies for addressing the municipality's financial problems, including a strategy for reducing unnecessary expenditure and increasing the collection of revenue as may be necessary.
- The FRP Report must cover the following information:
 - ✓ Executive Summary
 - ✓ Background information
 - ✓ Socio-economic analysis of the municipality
 - ✓ Legislative context
 - ✓ FRP Approach
 - ✓ Monitoring and Implementation arrangements
 - ✓ Risks associated with FRP implementation.
 - ✓ FRP Communication Plan
 - ✓ Overview of status quo assessment findings, root causes and proposed strategies
 - ✓ Three-phased financial recovery plan
 - ✓ Summary of anticipated turnaround timelines in accordance with financial forecast modelling, set budget parameters and financial targets for revenue and expenditure
 - ✓ FRP Reporting Framework
 - ✓ Conclusion
 - ✓ Annexures

7.4 Prepare the draft revised FRP Implementation Plan in line with the content criteria set out in section 142 of MFMA. The following information must be included in a dashboard format:

- Provide for the 3 phases of financial recovery in terms of the MFRS FRP Framework per diagram below:



- Classification of intervention activities under the four (4) municipal sustainability pillars as indicated below:



- Baseline Problem Statements per focus area.
- Principle Strategic Objectives.
- Specific strategies to address the municipality's financial problems, including strategies for reducing expenditure and increasing the collection of revenue.
- Identify the human and financial resources needed to resolve financial problems and where those resources are proposed to come from.
- Describe the anticipated timeframe for financial recovery and milestones to be achieved.
- Identify what actions are necessary for the implementation of the plan, distinguishing between actions to be taken by the municipality and actions to be taken by other parties.
- Key intervention activities per focus area.
- Provide for the possible liquidation of specific assets, excluding those needed for the provision of the minimum level of basic municipal services.
- Provide for possible debt restructuring or debt relief.
- Provide special measures to prevent unauthorized, irregular, and fruitless and wasteful expenditure and other losses identified through diagnostic analysis.
- Identify any actual and potential revenue sources.

- Consider any financial recovery plan that has previously been prepared for the municipality and include activities not completed.
 - Identify key performance indicators for each focus area.
 - Include the Portfolio of Evidence (POE) requirements for claimed achievements for each focus area.
 - Apply financial modelling techniques to quantify the anticipated FRP financial impact based on assumptions for improved operational efficiencies through FRP implementation and:
 - ✓ Set spending limits and revenue targets.
 - ✓ Provide budget parameters which bind the municipality for a specific period or until stated conditions have been met;
 - ✓ Identify specific revenue-raising measures necessary for financial recovery, including the rate at which municipal tax and tariffs must be set to achieve financial recovery; and
 - ✓ Propose appropriate changes to the municipal budget.
- 7.5 Set up pillar workstream meetings and an FRP workshop with the municipal officials and stakeholders in close cooperation with NT MFRS to facilitate input on the draft FRP documents.
- 7.6 Update and finalise the Draft FRP Report and Implementation Plan.
- 7.7 Prepare FRP presentations and support meetings with the relevant stakeholders (including the intervention background, MFRS FRP approach, key challenges, findings, solutions (per sustainability pillar), financial targets and key success factors in stakeholder presentations).
- 7.8 In close cooperation with NT MFRS, support consultations with the relevant municipality, suppliers, and major creditors, the MECs for Finance and Local Government and organised labour on the draft FRP.
- 7.9 Provide input on MS PowerPoint presentations to communicate FRP revision progress on request by the MFRS advisors.
- 7.10 Consider all stakeholders comments received in finalising the FRP.
- 7.11 Maintain and keep a record of all source information and a portfolio of evidence for all statutory processes, including but not limited to attendance registers, advertisement for public participation, inputs received from stakeholders and interested parties, minutes of consultative meetings and source documents for status quo assessment. Ensure compliance with all applicable statutory prescripts in executing contractual obligations.
- 7.12 Document best practices related to recommended strategies and approaches to resolve the identified reasons for financial crisis and failures in service delivery.
- 7.13 Ensure compliance with all applicable statutory prescripts in executing contractual obligations.

The service provider is expected to provide professional, technical advice and assistance in the areas mentioned above and other relevant provisions in terms of chapter 13 of the Act within the scope of work referred to herein above.

The service providers will be expected to enter into a service level agreement upon award of contract that will be used as a basis for measuring and evaluating performance as per contractual obligations.

8. MONITORING AND REPORTING:

The project will be coordinated by the MFRS unit. Service Providers will therefore be required to report directly to the MFRS unit on any operational requirements or performance management issues. Service providers will also be required to liaise with the relevant provincial treasuries, municipalities, and other stakeholders.

It is expected that the service provider(s) will be available to discuss on-going requirements of the project at any time either by phone or in person. In addition, the service provider(s) will be required to attend virtual meetings on the MS Teams platform with National Treasury regularly and sometimes at short notice. Initial scoping meetings may be necessary upon project commencement.

The service provider(s) must provide a detailed plan of activities, targeted milestones, and timeframes to execute the project successfully within the specified timeframe upon commencement of the project. The work plan will only become effective after approval by the MFRS.

The approved work plan shall be the basis for the monitoring of service provider performance and achievements. National Treasury will require regular progress reporting in line with a detailed work plan.

9. CONTRACTING

The recommended bidder will be required to enter into a service level agreement with National Treasury.

10. TIMESCALE:

The MFMA stipulates that an FRP must be prepared and approved within 90 days after the approval of the status quo assessment report.

The period of this appointment will be for a period of 12 weeks period or as may be extended with written approval of the Chief Director: MFRS from the date of appointment, subject to periodic monthly review of the performance of the service provider and the availability of funding. The detailed work plan must be scheduled in line with the 12-weeks appointment period.

11. BID VALIDITY:

The quotation will be valid for a period of 60 (sixty) days.

12. SUBMISSION OF BIDS

The bidders may submit the responses through electronical email method as an option or physical submission to National Treasury address.

13. LATE BIDS:

Quotations received at the address indicated in the bid documents, after the closing date and time will not be accepted for consideration and where applicable, be returned unopened to the bidder.

14. CONTACTS:

Nombulelo Nzama
Telephone: 012 395 6651
Telefax: 012 395 6553
Email: Nombulelo.Nzama@treasury.gov.za

PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER: BID NO.: ...RFQ664-2025.....

CLOSING TIME 11:00 AM

CLOSING DATE...08 APRIL 2026.....

OFFER TO BE VALID FOR ...60.....DAYS FROM THE CLOSING DATE OF BID.

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)	
1.	The accompanying information must be used for the formulation of proposals.		
2.	Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project.	R.....	
3.	PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)		
4.	PERSON AND POSITION	HOURLY RATE	DAILY RATE
	-----	R-----	-----
	-----	R-----	-----
	-----	R-----	-----
	-----	R-----	-----
	-----	R-----	-----
5.	PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT		
	-----	R-----	----- days
	-----	R-----	----- days
	-----	R-----	----- days
	-----	R-----	----- days
5.1	Travel expenses (specify, for example rate/km and total km, class of airtravel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.		
	DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY AMOUNT
	-----		 R.....
	-----		 R.....
	-----		 R.....
	-----		 R.....
		TOTAL: R.....	

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

Name of Bidder:

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

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

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

*[DELETE IF NOT APPLICABLE]

Any enquiries regarding bidding procedures may be directed to the –

Rachel Sehabetla
National Treasury
40 Church Square, PRETORIA,0001
Tel: 012 315 5806

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

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

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

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

2.2.1 If so, furnish particulars:

.....

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

2.3.1 If so, furnish particulars:

.....

3 DECLARATION

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

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

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

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

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

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

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

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

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

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

1. GENERAL CONDITIONS

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

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

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

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

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

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

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

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and SPECIFIC GOALS	100

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

1.6 The organ of state reserves the right to require 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 PREFERENCE POINT SYSTEMS

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

80/20

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

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

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

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

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)	Document/s to validate specific goal points claimed
Youth	5		Full CSD report, CIPC disclosure certificate, and SANAS verified BBBEE or CIPC issued BBBEE certificate
Black people	5		
Women	5		
People living with Disability (PWDs)	5		A medical certificate for People living with Disability (PWDs)

DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm.....

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

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

- 4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:
- i) The information furnished is true and correct;
 - ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
 - iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
 - iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution, if deemed necessary.

.....	
SIGNATURE(S) OF TENDERER(S)	
SURNAME AND NAME:	
DATE:	
ADDRESS:	
	
	
	

THE NATIONAL TREASURY

Republic of South Africa



GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT

July 2010

GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

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

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

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

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General Conditions of Contract

1. Definitions

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

RSA.

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

obligations of the supplier covered under the contract.

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

2. Application

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

3. General

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

4. Standards

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

5. Use of contract documents and information; inspection.

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

6. Patent rights

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

7. Performance security

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

8. Inspections, tests and analyses

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

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

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

9. Packing

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

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

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

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

14. Spare parts

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

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

15. Warranty

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

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

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

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

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

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

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

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

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

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

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

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

may be due to him

25. Force Majeure

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

26. Termination for insolvency

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

27. Settlement of Disputes

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

28. Limitation of liability

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

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

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