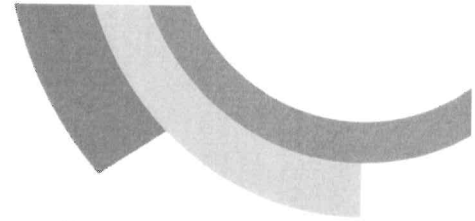


Ref: [reference number]
Tel: 043 605 7153 | Fax: 086 511 7610

Contact Person: [Hlokoma Mtshotshisa]
| Email: Hlokoma.mtshotshisa@dedea.gov.za
www.dedea.gov.za

INVITATION TO QUOTE

Bid No.	SCMU- Q2-PP09-24/25-09
Bid Description	APPOINTMENT OF A POOL OF SUITABLE SERVICE PROVIDERS TO CONDUCT DUE DILIGENCE ON LRED APPLICATIONS
Venue where Tender Box is allocated	Ground floor, corner of Mc Lean and Downing Street, Old Standard Bank Building, King Williams Town
Date for compulsory briefing session	28 June 2024 at 10h00
Venue for compulsory briefing session	Ground floor Boardroom Palm Square, Bonza Bay Road, Beacon Bay, East London
Bid Closing Date & Time	03 July 2024 at 11H00
Queries related to the bid must be address to the following:	
Technical Terms of Reference:	Mr Jongikhaya Rali Email: Jongikhaya.rali@dedea.gov.za All technical enquiries must be forwarded to the above e-mail address
SCM related enquiries:	Ms Hlokoma Mtshotshisa 043 605 7153 Email: Hlokoma.mtshotshisa@dedea.gov.za
Conditions	Bids should be in a sealed envelope clearly marked with the above bid number, description and Department of Economic Development and Environmental Affairs



Ref: *[reference number]*

Tel: 043 605 7153 | Fax: 086 511 7610

Contact Person: *[Hlokoma Mtshotshisa]*

| Email: Hlokoma.mtshotshisa@dedea.gov.za

www.dedea.gov.za

	- The ECBD forms and all other forms relating to this bid must be completed and signed in the original in ink. - Forms with photocopies signatures or other such reproduction may be rejected. - Bids by telegraph, facsimile, electronically or other similar apparatus will not be accepted.
--	---

Suppliers who are interested to the tender must ensure that their company is registered with Centralised Supplier Database (CSD).

The Department may not conclude any contract with the service provider that is not registered with CSD, failure to register with CSD may invalidate your proposal

Bidder: Failure to comply with this requirement will be regarded as no responsive and will be disqualified

Failure to attend compulsory briefing session will be regarded as non- responsive and will be disqualified

PART A **INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)

BID NUMBER:

CLOSING DATE:

CLOSING TIME:

DESCRIPTION

THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX

SITUATED AT (STREET ADDRESS)

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

TCS PIN:

OR

CSD No:

B-BBEE STATUS LEVEL VERIFICATION
CERTIFICATE
(TICK APPLICABLE BOX)

☐ Yes

B-BBEE STATUS
LEVEL SWORN
AFFIDAVIT

☐ Yes

☐ No

☐ No

IF YES, WHO WAS THE CERTIFICATE
ISSUED BY?

AN ACCOUNTING OFFICER AS
CONTEMPLATED IN THE CLOSE
CORPORATION ACT (CCA) AND NAME
THE APPLICABLE IN THE TICK BOX

☐

AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION
ACT (CCA)

☐

A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN
ACCREDITATION SYSTEM (SANAS)

☐

A REGISTERED AUDITOR

NAME:

[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT (FOR EMEs & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]

ARE YOU THE ACCREDITED
REPRESENTATIVE IN SOUTH AFRICA
FOR THE GOODS /SERVICES /WORKS
OFFERED?

☐ Yes

☐ No

[IF YES ENCLOSE PROOF]

ARE YOU A FOREIGN
BASED SUPPLIER FOR
THE GOODS /SERVICES
/WORKS OFFERED?

☐ Yes

☐ No

[IF YES ANSWER PART B:3
BELOW]

SIGNATURE OF BIDDER

DATE

CAPACITY UNDER WHICH THIS BID IS
SIGNED (Attach proof of authority to sign
this bid; e.g. resolution of directors, etc.)

TOTAL NUMBER OF ITEMS OFFERED

TOTAL BID PRICE (ALL
INCLUSIVE)

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:

TECHNICAL INFORMATION MAY BE DIRECTED TO:

DEPARTMENT/ PUBLIC ENTITY

CONTACT PERSON

CONTACT PERSON

TELEPHONE NUMBER

TELEPHONE NUMBER

FACSIMILE NUMBER

FACSIMILE NUMBER

E-MAIL ADDRESS

E-MAIL ADDRESS

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.	BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.
1.4.	WHERE A BIDDER IS NOT REGISTERED ON THE CSD, MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS MAY NOT BE SUBMITTED WITH THE BID DOCUMENTATION. B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.
1.5.	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER LEGISLATION OR 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 TAX COMPLIANCE STATUS (TCS) 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 .
2.4	BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.
2.5	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.
2.6	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 BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? ☐ YES ☐ NO
3.2.	DOES THE BIDDER HAVE A BRANCH IN THE RSA? ☐ YES ☐ NO
3.3.	DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA? ☐ YES ☐ NO
3.4.	DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA? ☐ YES ☐ NO
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO OBTAIN A TAX COMPLIANCE STATUS / TAX COMPLIANCE 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.

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

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

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

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

2.2.1 If so, furnish particulars:

.....

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

2.3.1 If so, furnish particulars:

.....

3 DECLARATION

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

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

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

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

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

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

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

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

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

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

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

1. GENERAL CONDITIONS

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

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

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

(delete whichever is not applicable for this tender).

- a) The applicable preference point system for this tender is the 90/10 preference point system.
- b) The applicable preference point system for this tender is the 80/20 preference point system.
- c) Either the 90/10 or 80/20 preference point system will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

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

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

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

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	
HDI black people	10
HDI living in the Eastern cape	10
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 OR 90/10 PREFERENCE POINT SYSTEMS

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

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

Where

P_s = Points scored for price of tender under consideration

P_t = Price of tender under consideration

P_{min} = Price of lowest acceptable tender

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

3.2.1. POINTS AWARDED FOR PRICE

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

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

Where

- Ps = Points scored for price of tender under consideration
Pt = Price of tender under consideration
Pmax = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

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

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)

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:

.....

.....

.....

GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

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

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

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

TABLE OF CLAUSES

1. Definitions
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3. General
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General Conditions of Contract

1. Definitions

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

RSA.

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

obligations of the supplier covered under the contract.

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

2. Application

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

3. General

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

4. Standards

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

5. Use of contract documents and information; inspection.

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

6. Patent rights

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

7. Performance security

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

8. Inspections, tests and analyses

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

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

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

9. Packing

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

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

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

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

14. Spare parts

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

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

15. Warranty

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

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

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

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

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

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

16. Payment

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

17. Prices

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

18. Contract amendments

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

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier's performance

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

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

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

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

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

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

may be due to him

25. Force Majeure

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

26. Termination for insolvency

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

27. Settlement of Disputes

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

28. Limitation of liability

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

		(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
29. Governing language	29.1	The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
30. Applicable law	30.1	The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
31. Notices	31.1	Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
	31.2	The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
32. Taxes and duties	32.1	A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
	32.2	A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
	32.3	No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
33. National Industrial Participation 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.

Js General Conditions of Contract (revised July 2010)

**APPOINTMENT OF A POOL OF SERVICE PROVIDERS TO CONDUCT DUE
DILIGENCE FOR LRED PROJECTS FOR 2024/25-2025/26-2026/27 FINANCIAL
YEARS.**

TERMS OF REFERENCE

**APPOINTMENT OF A POOL OF SERVICE PROVIDERS TO CONDUCT DUE DILIGENCE
FOR LRED PROJECTS FOR 2024/25-2025/26-2026/27 FINANCIAL YEARS.**



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**APPOINTMENT OF A SUITABLE SERVICE PROVIDER TO CONDUCT LRED EVALUATION STUDY ON
PREVIOUSLY FUNDED PROJECT UNDER THE LRED FUND FOR THE PAST FIVE YEARS.**

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APPOINTMENT OF A SUITABLE SERVICE PROVIDER TO CONDUCT LRED EVALUATION STUDY ON PREVIOUSLY FUNDED PROJECT UNDER THE LRED FUND FOR THE PAST FIVE YEARS.

1 Introduction and background information

The Eastern Cape Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) has developed and rolled-out the Local and Regional Economic Development Policy providing support to a number of local and regional economic development (LRED) projects across the Province. The aim of the DEDEAT LRED Fund is to provide support to local entrepreneurial partnerships, working in collaboration with local government and other support institutions, to create new economic opportunities that will enable new and better jobs, as well as the promotion of an environment for innovation and enterprise development in the local economy. The LRED Fund also supports initiatives that further the national outcomes set out for government at all levels of the public system.

Achieving sustainable local and regional economic development continues to be a challenge for the Eastern Cape as it is for other similar Provinces and regions of the Republic of South Africa. Economic development in the Eastern Cape needs to accelerate and become more pro-poor if the basic needs of communities are to be effectively addressed. However, ensuring that the benefits of growth are spread widely in order that development becomes inclusive and impacts on the quality of life of all citizens in the Eastern Cape, is very challenging in light of the spatial economic disparities in the Eastern Cape.

The purpose of the due diligence is to ascertain the authenticity and compliance of the applying enterprise as well as the viability of the proposed enterprises to be supported. Also, to determine if there are no directors from the applying enterprises who are government employees so as to prevent a situation where government officials are benefiting in a programme designed to assist towards the entrepreneurship development from a province that is faced with major challenges of under-development and high unemployment rate.

DEDEAT will be receiving and processing proposals over thirty-six (36) months under the LRED Fund. The proposals will be subjected to internal assessment and evaluation processes, as part of the process a due diligence exercise on the proposals and entities is required. DEDEAT therefore seeks a pool of professional service providers to conduct due diligence on the recommended enterprises so as to inform the approval process for a period of three (3) years.

2 Objectives and scope of work

The main objective of the project is conduct due diligence and vetting of the LRED fund recommended enterprises so as to inform the final approval process for funding allocation. **DEDEAT seeks to appoint a pool of suitable service providers to conduct due diligence for LRED Fund applicants operating in the Eastern Cape. This panel will be appointed through an approved and efficient bidding process as and when required for a period of 36 months, provided that budgets are available and approved.**

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After the establishment of the panel, specifications will be compiled as and when required; and will be circulated to the panellists with requests for quotations.

The scope of work is follows:

Conduct vetting on a maximum of 40 applications each year for the next 3 financial years.

Each entity / enterprise/ business / company

- Each director / member from the entity
- Details to cover at least:
 - o Financial viability of the enterprises
 - ☐ Evaluate the projected costs and cash flows
 - ☐ Verify validity of off-take agreements, letters of intent, records of sale or sale agreements where available
 - o Analysis of historical financial statements
 - o Including Insolvency, bankruptcy and liquidation
 - o Bank accounts verification of the entity/ies
 - ☐ Signatories on the bank accounts
 - o Criminal record of directors (commercial crimes).
 - ☐ Provide historical and latest details, together with proof of such
 - ☐ Any pending cases (commercial cases)
 - o Details on assets of the directors /members/shareholders
 - o Register of tender defaulters
 - ☐ Enterprises
 - ☐ Members / Directors
 - o Details on the deeds of registration
 - ☐ Ownership
 - o Whether applicants are in the employment of state (national, provincial and local) including their subsidiaries / public entities / state owned entities
 - o Credit bureau checks and reports for entities, its directors, members and shareholders.
 - o Verification of operational site and validity of lease agreement

3 The Following Must Be Deliverable

- Conduct vetting to recommended enterprises
- Conduct financial due diligence on the proposals recommended
- Compile and submit a report highlighting areas of concern with all the source documents for referral purposes.

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4 Finalisation of Scope of Work and Project Management

The final scope of work will be formalised in a Project Implementation and Management Plan, which will be an outcome of the first meeting between the project steering committee and the service providers.

5 Proposed Approach, Budget and Programme

The candidate is required to develop a table outlining a proposed approach, a proposed budget allocation for professional fees, and number of person-hours respectively for the list of items in section 3 and printing costs. Note, however, that the scope of the project is not limited to these line items. The proposed approach should be translated into a proposed project management plan/timeline linked to deliverables.

5.1 Required Capacity, Qualifications, Experience & Track Record

It is important that the candidate/project team demonstrates that they have suitable capacity, qualifications, experience and track record to undertake the project. The project team must demonstrate capacity/expertise in Basic Computer Skills, Records Management as well as knowledge of Electronic and Document Management System. Specifically:

- **Capacity:** Bidders must demonstrate that they have adequate human and other resources to dedicate to the project – 3 to 5 personnel;
- **Qualifications & Professional Experience:** Project Leader to be assigned in this project should have post-graduate degree in Commercial, Relevant Sector or Business Related with solid experience in the project management field (please provide certified copies of the qualification and CV's of the key personnel to be assigned in this project. CV's must indicate involvement in projects of similar nature with contactable references for at least 3 projects). Reference letters has to collaborate the number of years provided on the CV. The project leader should demonstrate to have at least 2 project members that will assist in performing this task successfully, CVs must be included. The project leader should demonstrate experience in similar industry not less than 5 years.
- **Experience & Track Records:** Bidders must demonstrate proven experience in managing similar projects (Please provide 3 contactable references of evidence for the completed projects, together with evaluation study reports of those 3 projects). The company should demonstrate not less than 5 years' experience in similar projects.

Two tables listing previous relevant experience as per section should be populated. The tables should include fields as per the example below:

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Relevant previous project/activity	Project budget	Date of project/activity inception	Date of Completion of project/activity	Names of project team members in this bid who participated in the activity	Name and position of reference person	Contact details of reference person
Project 1 etc.						

5.2 Bid Process: pre-qualification

Mandatory Requirements

- Complete and signed bidding documents
- Resolution authorising a particular person to sign the bid documents.
- CSD Summary report

The bid process will include a pre-qualification stage where the functionality / quality of bids will be assessed. All bidders' / service providers will provide a list of three (3) references who can be contacted to provide an assessment of the Service Provider's ability and / or performance on similar previous assignments. References cited must have knowledge of the Service Provider's work in all the elements for meaningful comparisons to be made. **Shortlisted bidders' / service providers may be expected to make a presentation where they will demonstrate similar previous work.**

The elements that will be considered for determining quality/functionality are:

QUALITY / FUNCTIONALITY	Score out of 5	WEIGHT/ 100
<u>Company Experience</u> Bidders to submit proof of experience which must entail the following detail: - Summary of previous contracts held – Detail, budget, Duration (start and end date), Contact details of references. - Attach reference letters supporting information in (a).		
Company have no previous track record in conducting projects of this nature	0	30
Company demonstrate 1 to 2-year track record in conducting projects of this nature	1	
Company demonstrate a greater than 2 year but less than 5 years track record in conducting projects of this nature	3	

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Company demonstrate a greater than 5 year but less than 7-year track record in conducting projects of this nature	4	
Company demonstrate a 7 year and above track record in conducting projects of this nature.	5	
<u>Quality of proposed methodology (Refer to objectives in scope of work section)</u>		
Company didn't address any objectives listed in the scope of work	0	40
Proposed methodology is clearly addressing all objectives as listed in the scope of work (Ref to section 2)	5	
(all areas addressed in the objectives and includes a costed project plan linked to timelines. The bidder demonstrates an advanced understanding and experience of Evaluation Study.		
<u>Qualification of Allocated Personnel</u>		
Note: ✦ The bidder will receive no points in this section if basic Curriculum Vitae are not included in the proposal and certified copies of qualification. ✦ Bidder must have at least have 3 to 5 personnel (1x Team leader, 4x key personnel) to deliver on this project. If bidder have less than 3 personnel, this will result in no points. At least one of the personnel must be an Accountant (provide certified qualifications).		
Team leader and key personnel with National Diploma (Economics/ Development Finance/ Finance/ Accounting)	1	15
Team leader and key personnel with B.Com. / B. Tech (Economics/ Development Finance/ Finance/ Accounting)	3	
Team leader and key personnel with post-graduate qualification in (Economics/ Development Finance/ Finance/ Accounting)	5	
Experience of Allocated Personnel		
Note: ✦ The bidder will receive no points in this section if basic Curriculum Vitae as well as reference letters are not included in the proposal. ✦ Bidder must have at least have 3 to 5 personnel (1x Team leader, 4x key personnel) to deliver on this project. If bidder have less than 3 personnel, this will result in no points.		
Team leader and key personnel have no experience on conducting projects of this nature	0	15
Team leader and key personnel have 1 to 2 years' experience in conducting projects of this nature	1	
Team leader and key personnel have 3 to 4 years' experience in conducting projects of this nature	3	
Team leader and key personnel have 5 and above years' experience on conducting projects of this nature	5	

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Bidders will be evaluated on a 6-point scale where 0=Poor; 1= Weak; 2= Average; 3= Good; 4= Very good; and 5= Excellent. Bidders will be required to obtain at least **70% (350/500)** in order to qualify for the final evaluation stage. A bidder that scores less than 70 points out of 100 in respect of functionality will be regarded as submitting a non-responsive proposal and will be disqualified.

5.3 Bid Process: post-qualification

In terms of the revised Preferential Procurement Regulations 2022, the department will utilize the following specific goals as required by section 2(1) (d) of the Preferential Procurement Policy Framework Act:

(a) Historical Disadvantaged Individuals (HDI): see details below:

To enforce their implementation of RDP goals and to ensure local economic development for procurement above. The Department of Economic Development, Environmental affairs and Tourism shall allocate preference points to any of the following categories:

- HDI black people
- HDI youth
- HDI women
- HDI with disabilities
- HDI living in rural underdeveloped areas or township
- HDI living in Eastern Cape province
- A co-operative or non-profit organization which is at least 51% owned by black people.
- HDI who are Military veterans

Bids shall be evaluated on 80/20 principle. Preference points may be allocated as per below table

Specific Goals	Allocation of points
HDI black people	10
HDI living in the Eastern Cape Province	10

5.4 Performance monitoring

Performance against the deliverables will be closely monitored by DEDEAT, regular meetings will be held between DEDEAT and the appointed service provider per project.

MONITORING TOOL	FREQUENCY	EXPECTATION
Inception Meeting	Once	Presentation of implementation plan by service provider and adoption by Project steering committee
Report	Weekly	Written Progress Reports
Special Sessions	Ad hoc	Troubleshooting – presentation of proposed solutions

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5.5 Reporting responsibilities

The following are the high-level stakeholders' roles, responsibilities that the service provider will be reporting to on a monthly or quarterly basis:

ROLE	ROLES, RESPONSIBILITIES AND MANDATE	FREQUENCY
Project Steering Committee (PSC)	• Manage the Project including overseeing the overall execution and delivery; and • Oversee the functioning of the governance structures and stakeholder representation.	• Monthly • Weekly
Technical Committee (TC)	• Agree on final project deliverables; and • Evaluate each project at the end of key stages and approve progress to the next stage where appropriate.	• Monthly • Weekly

5.6 Conditions of the bid

The service provider should provide in so far as possible,

- A. All short-listed bidders may be subject to security screening by a company appointed by DEDEAT.
- B. Travelling costs and time spent or incurred between home and office of consultants and DEDEAT offices will not be for the account of DEDEAT.
- C. A clear schedule of deliverable dates, indicating the value of the deliverable and dates on which invoices will be submitted
- D. Services rendered outside the scope of the project, without prior approval of the department (Accounting Officer) will not be reimbursed.
- E. DEDEAT reserves the right to invite shortlisted companies to present their bid proposals for information and enhancement of decision
- F. The tender will be awarded subject to a legally enforceable contract being entered into between the preferred bidder and DEDEAT, which will impose terms and conditions that will regulate the parties (preferred service provider and Department) whilst the required services are rendered and thereafter. The successful bidder may not alter its specific goals status during the bid consideration process and the contract period (when tender is awarded) without the consent of DEDEAT. The preferred bidder will not be allowed to subcontract and cede the agreement.
- G. DEDEAT is not bound to select any of the firms submitting proposals. DEDEAT reserves the right not to award the contract or accept the lowest proposal.
- H. DEDEAT reserve the rights to negotiate the bid price with the preferred bidder.
- I. DEDEAT will not be held responsible for any costs incurred by the bidder in the preparation and submission of the bid
- J. Bidders must comply with all procurement conditions of the department, including the provision of valid tax clearance certificates;

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- K. The Preferential Procurement Regulation of 2022 principles shall apply; submissions will be evaluated according to the provisions of the regulation; specific goals compliant companies will be scored accordingly.
- L. The service provider must be cleared by the National Treasury as per section 28 of the Prevention and combating of corrupt activities act, (act 12 of 2004) and the department will implement the law, especially section 28(3)(iii), but not limited to.
- M. Bidders must reside in South Africa, but the first preference will be for bidders residing in the Eastern Cape.
- N. Track record of the bidder's experience in the type of work.
- O. Members/ personnel listed on the Bid documents should be the ones to implement the project.

5.7 Validity Period

Proposals are expected to remain valid for 90 days from submission.

5.8 Contract Period

The contract period will be a maximum of **36 (Thirty Six) Months**. (The project will commence upon the signing of the Service Level Agreement (SLA).

6 Returnable documents

Documents	Conditions
Resolution authorizing a particular person to sign the bid documents	
SBD 1 (invitation to bid)	
SBD3.3 (pricing schedule)	
SBD4 (declaration of interest)	
SBD6.1 (preference points claim form in terms of Preferential Procurement regulations 2022	
Proof of CSD and LOGIS registration	

7 Submission of Proposals

Only bids by those entities that are registered on the DEDEAT Supplier database will be considered, you are requested to submit a costed proposal for delivering the specified services on behalf of DEDEAT. One original and two photocopies of the completed proposal shall be placed in a sealed envelope clearly marked: "APPOINTMENT OF A POOL OF SERVICE PROVIDERS TO CONDUCT DUE DILIGENCE FOR LRED PROJECTS FOR 2024/25-2025/26-2026/27 FINANCIAL YEARS." and deposited in the Bid Box located at **Department of Economic Development, Environmental Affairs and Tourism, Old Standard Bank Building, Corner McLean and Downing Street, King William's Town, 5600.**

APPOINTMENT OF A SUITABLE SERVICE PROVIDER TO CONDUCT LRED EVALUATION STUDY ON PREVIOUSLY FUNDED PROJECT UNDER THE LRED FUND FOR THE PAST FIVE YEARS.

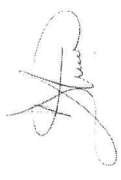
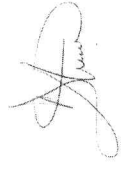
The closing date isof2024 and time is11 A.M..... for the receipt of completed proposals is as advertised in the call for proposals. Late proposals will not be considered. Telegraphic, telexed, facsimiled or e-mailed submissions will not be considered.

Telegraphic, telexed, facsimiled or e-mailed submissions will not be accepted.

For technical information contact: Mr. Jongikhaya Rali / Dr Mativenga Ngatiane Deputy Director – LRED / Acting Director – LRED jongikhaya.rali@dedea.gov.za/ mativenga.ngatiane@dedea.gov.za	For bid enquiries contact: Ms Hlokoma Mtshotshisa Supply Chain Management Cell: 072 045 8528 e-mail: Hlokoma.Mtshotshisa@dedea.gov.za
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APPOINTMENT OF A POOL OF SERVICE PROVIDERS TO CONDUCT DUE DILIGENCE FOR LRED PROJECTS FOR 2024/25-2025/26-2026/27 FINANCIAL YEARS.

8 Approval of Terms of Reference

	DR. MATIVENGA NGATIANE ACTING DIRECTOR: LRED	MR. DUMANI KENTANE DEPUTY CHAIRPERSON: BSC	MR. MARIUS COETZEE ACTING CHIEF DIRECTOR: ECONOMIC DEVELOPMENT	MR. DUMANI KENTANE ACTING DIRECTOR: SUPPLY CHAIN MANAGEMENT	MRS SIBONGILE JONGILE CFO	MRS MICKEY MAMA HOD
	Compiler / developer	Recommended Not Recommended	Recommended Not Recommended	Recommended Not Recommended	Recommended Not Recommended	Approved Not Approved
COMMENT(S)	This service is required urgently	Recommended	Recommended	Recommended	Recommended	Province of the EASTERN CAPE ECONOMIC DEVELOPMENT, ENVIRONMENTAL AFFAIRS & TOURISM
SIGNATURE						
DATE	29/04/2024	29 April 2024	29 April 2024	30 April 2024	02/05/24	06/05/24

APPOINTMENT OF A SUITABLE SERVICE PROVIDER TO CONDUCT LRED EVALUATION STUDY ON PREVIOUSLY FUNDED PROJECT UNDER THE LRED FUND FOR THE PAST FIVE YEARS.

1. TOR - Pool of Service Providers LRED Due Diligence -26.03.2024 (002)

Final Audit Report

2024-05-06

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Transaction ID:	CBJCHBCAABAAZHlYdkflurXzaohNy0n5wHJeGfZsrZX

"1. TOR - Pool of Service Providers LRED Due Diligence -26.03.2024 (002)" History

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