



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM
ANNEXURE B

ENQ: MASIA N.A.
RFQ No: EDET/QOUT 0598/25
Tel: 015 293 8765

Dear Sir / Madam

REQUEST FOR QUOTATIONS

(Over R30 000 up to a transaction value of R1 000 000 VAT included)

Kindly furnish me with a written quotation for the supply of the goods/services as detailed in the enclosed schedule.

The quotation must be submitted on the letterhead of your business, fully complete attached pricing schedule and submitted into the quotation box not later than 15/08/2025, 11h00 to the Blue Quotation box along the fence at 19 Biccard Street, Evridiki Tower Building, Polokwane

The following conditions will apply:

- 1) Price(s) quoted must be valid for at least Ninety (90) days from date of your offer.
- 2) Price(s) quoted must be firm and must be inclusive of VAT.
- 3) A firm delivery period must be indicated.
- 4) This quotation will be evaluated in terms of the 80/20 preference point system as prescribed in the Preferential Procurement Policy Framework Act 2000, the preferential procurement regulations 2022 And Functionality criteria and for this purpose the enclosed forms SBD 3.1, SBD 4, SBD 6.1. and GCC must be scrutinized, completed and submitted together with your quotation.
- 5) The successful provider will be the one scoring the highest points.
- 6) The supplier accepts the General Conditions of Contract which can be found on the Provincial/National Treasury Website, or can be requested from the advertising institution or a local SCM Tender Advice Center (TAC).

NB: No quotations will be considered from persons in the service of the state
Failure to comply with these conditions may invalidate your offer.

SUPPLY CHAIN MANAGEMENT

DATE: 01/08/2025



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
ECONOMIC DEVELOPMENT, ENVIRONMENT & TOURISM

**APPOINTMENT OF A SERVICE
PROVIDER TO FAULT FIND, REPAIR,
REPLACE, MONITOR AND MAINTAIN THE
PRIVATE AUTOMATIC BRANCH
EXCHANGE (PABX) SYSTEM FOR
LIMPOPO ECONOMIC DEVELOPMENT,
ENVIRONMENT AND TOURISM FOR A
PERIOD OF THREE (3) YEARS**

1. Background
1.1 Limpopo Department of Economic Development, Environment and Tourism (LEDET) has an existing Private Automatic Branch Exchange (PABX) system.
2. Scope of work
2.1 Limpopo Department of Economic Development, Environment and Tourism requires service providers to fault find, repair, replace, monitor and maintain existing PABX system for a period of 3 years.
2.2 The service provider should conduct preventative and corrective maintenance on the following but not limited to:
2.2.1 Regular system checks and cleaning of hardware.
2.2.2 Firmware updates and upgrades
2.2.3 Battery backup testing
2.2.4 Scheduled preventative maintenance visits with details of tasks to be performed.
2.2.5 Troubleshooting and resolving system faults.
2.2.6 Repairing faulty components (e.g. handsets, network cards, power supplies etc).
2.2.7 Remote troubleshooting via remote access tools (if applicable).
2.2.8 Provide 24-hour emergency in-house support
2.3 The PABX system must provide the following:
2.3.1 Generate a report that record duration of both incoming and outgoing calls (i.e. monthly usage)
2.3.2 Generate a report that indicate the frequency of outgoing calls.
2.3.3 Voicemail.
2.3.4 Transfer calls.
2.3.5 Follow me extension (diverting extension calls to cell phones when out of office and be able to call via extension from the cellphone).
2.4 Menu driving tools including audit trail.
2.5 Call outs' for maintenance and technical support must be dealt within a maximum of 24 hours of a call being logged.
3 The service provider will be required to maintain handsets, extension lines and LAN infrastructures when required:

3.1 Handsets / Devices should be gigabyte compliant, (network pass through input and output).	
3.2 Extensions lines in Block A and B :	
3.2.1 Floor 1: 135 ports,	
3.2.2 Floor 2: 133 ports,	
3.2.3 Floor 3: 103 ports.	
3.3 Fax lines x 15.	
3.4 Maintain Local Area Network(LAN) Infrastructure supporting VOIP (Voice Over Internet Protocol) with gigabyte switches.	
4. Accreditation	
The service provider must:	
4.1 Provide Independent Communication Authority of South Africa (ICASA) accreditation certificate. (Provide a certified copy).	
4.2 Provide full certificate with the Original Equipment Manufacturer (OEM) to sell, maintain and support the product (provide a certified copy).	
4.3 Provide a valid Quality Management Systems certificate (provide a certified copy).	
4.4 Provide valid accreditation certificate work on Mitel System and gadgets (provide a certified copy).	
5 General Specifications	
5.1 The system available must be able to continue perform the following functions and record them for subsequent downloading after monitoring and maintenance being conducted	• Call records (incoming and outgoing). • Pin code. • Speed dial. • Telephone user's budget limit. • Conference call facility.
5.2 System reporting	• Daily, weekly and monthly usage per extension. • Indicate pin-codes used in other extension. • Automatic failure diagnostic checks every 24hrs. • Reports are to be user-friendly given the large number of people that will be involved/ loaded on the system.

5.3 Security of information	- Any proposed solution regarding information to be made available to user department must take into account the requirement that information relevant to any one department must not be available for viewing by another user department/organisation/company. - Access to monthly reports must only be through authorised personnel. - Access to pin code and speed dial allocation menu must only be through authorised personnel.
5.4 During monitoring and maintenance process the PABX system must be fully functional unit.	- All wiring/ cabling must be in line with telecommunications protocol/ standards. - PABX must not lose any data when disconnected from the power and network supply. - The unit should incorporate self-diagnostic capabilities. - The unit must be equipped with internal back-up battery in order to retain data in the event of disconnection of power.
6 Customer Service and Support	
6.1 Service provider must have a 24hours turn-around time in the event of system failure.	
6.2 Technical training to be provided on all software for operating and monitoring purposes.	
7 Maintenance and Repairs	
7.1 The maintenance contract of the PABX System will be for a period of 3 years.	
7.2 Repairs of malfunctioning PABX System must be attended to within 24hrs.	
7.3 Provided periodic maintenance checks to be agreed upon by the parties.	
8 Occupational Health and Safety Requirements	
8.1 All equipment shall comply with all safety requirements as prescribed in the Occupational Health and Safety Act No 85 of 1993 as amended. In addition, the service provider furthermore must accept full responsibilities as per Clause 10 of the Occupational Health	

and Safety Act No. 85 of 1993,” General duties of manufacturers and others regarding articles and substances for use at work”.	
9	Pricing Requirements
9.1	Quotation prices should be fixed, no escalation will be allowed.
9.2	Quote prices must be inclusive of VAT (if VAT vendor)
9.3	All maintenance cost must be included in the quotation price
9.4	All quotes must be valid for up to 120 days
10	Certification of Completed Works
10.1	A Certification of Completion (i.e. Job card) must be issued by the relevant authority upon completion of the project and before any payment will be considered.
11	Evaluation of Bid
	The submission from the service provider will be evaluated in terms of the 80/20 point system as stipulated in the Preferential Procurement Policy Framework Act (Act 5 of 2000 and the Preferential Procurement Regulations, 2022.
11.1	The bids will be evaluated on three phases: Phase 1: Administrative or Pre-check Compliance Phase 2: Functionality Criteria Phase 3: Price and Specific Goals
	11.1.1 Phase 1: Administrative/Pre-check Compliance:
11.1.1.1	During this stage of the evaluation the bidders will be evaluated on whether or not they comply with the following: a) Complied with all the conditions of tender; and b) Submitted all mandatory documentation required.

11.1.1.2 The below administrative bidding requirements shall be complied with and required documents must be attached before consideration for further evaluation. Bidders may be disqualified if not meeting the following requirements:

Criteria	Requirement
Tax status	Tax registered
Tax Compliance Status	Tax compliance status will be confirmed at bid award stage "Bidder must be tax compliant before the bid is awarded, i.e. Where the recommended bidder is not tax compliant, the bidder will be notified of their non-compliant status and the bidder must be requested to submit written proof from SARS of their tax compliance status or proof that they have made an arrangement to meet their outstanding tax obligations within 7 working days. The bidder should thereafter provide the accounting officer or accounting authority with proof of their tax compliance status which should be verified via the Central Supplier Database or e-Filing"
Business registration	Entity must be in business (i.e. active status)
Company registration with central supplier database (CSD)	Bidders must be registered as a service provider on the Central Supplier Database (CSD). If not registered must proceed to complete the registration prior to submitting your proposal. Visit https://secure.csd.gov.za/ to obtain your vendor number.
In the service of the state status	Bid will not be considered if shareholder or director are employed by state /government departments, municipalities, municipal entities and public entities unless such shareholder or director is in an official capacity as a director of a company listed in schedule 2 and 3 of the Public Finance Management Act.

Tender defaulting and restriction status	Entity and directors must not be restricted	
Documents that must be submitted	Non-submission will result in disqualification	Requirement
Bidders Declaration – SBD 4	YES	Must be fully completed and submitted with the bid by the closing date and time. (Must declare if they have interests in other Companies whether they are bidding or not. Refer to Paragraph 2.3 of SBD 4)
Preference Point Claim Form – SBD 6.1	NO	Must be fully completed, signed and submitted with the bid by the closing date and time. (Bidders must fully complete the Table 1, paragraph 4.2 of SBD6.1 to claim preference points for specific goals)
Provide Independent Communication Authority of South Africa (ICASA) accreditation certificate.	YES	Attach a certified copy
Provide full certificate with the Original Equipment Manufacturer (OEM) to sell, maintain and support the product.	YES	Attach a certified copy
Provide a valid Quality Management Systems certificate.	YES	Attach a certified copy
Provide valid accreditation certificate work on Mitel System and gadgets.	YES	Attach a certified copy

NB:

- The department reserves the rights to verify the validity and authenticity of the above documents.

11.1.2 Phase 2: Functionality Evaluation Criteria

The functionality aspects of a bid will be scored out of 100 points. A bidder must achieve a minimum of **65 points** of the total functionality points in order to be considered for the next evaluation phase. This bid will be evaluated on functionality in terms of the table below:

CRITERIA FOR FUNCTIONALITY	MEANS OF VERIFICATION	SUB-CRITERIA		WEIGHTS
COMPANY EXPERIENCE Bidders must demonstrate experience and expertise for monitoring and maintaining of PABX /VOIP System	Stamped and signed reference letter(s) on client's company letterhead with experience for completed or current projects for monitoring and maintaining. (letters not older than 15 years) NB: <i>The reference letter must indicate the following:</i> <i>i) contract starting and ending date,</i> <i>ii) project value,</i> <i>iii) reference contact details, and</i> <i>iv) contract description of service.</i> ➤ For current projects, bidders will be allocated points on the experience as at closing date of the bid. ➤ Reference letters received without any of the above	Score guide	Points	30
		More than four (04) reference letters	30	
		Three (3) reference letters	20	
		Two (2) reference letters	10	
		One (1) reference letter	5	
		No submission of evidence or less than one (1) reference letter	0	

	<i>information will not be considered.</i> ➤ <i>Reference letters indicating irrelevant experience will not be considered and will be allocated 0 point</i>			
Experience of Technical staff to be assigned to the project. The Technician/installer must be able to perform PABX telephone system for fault find, repair, replace, monitoring and maintenance. And must have skills and knowledge, including technical expertise in electronics, telecommunications, and computer science with a minimum of three (3) years' practical experience. NB: Technicians/installer in position of a license from a relevant authority to work on PABX systems will be added as advantage	● Submission of a valid certified accreditation certificate ● Submission of Curriculum vitae of the certified technician/installer	Accreditation and experience of Technician/installer = 30 Points		30
		Score guide	Points	
		Registered as accredited and certified Technician/Installer with more than 5 years experience	30	
		Registered as accredited and certified Technician/Installer with 4- 5 years experience	20	
		Registered as accredited and certified Technician/Installer with 3 years experience	10	
		No accreditation, no professional/certified technician/installer employed by service provider	0	
				25

	Service providers must provide profile i.e. Curriculum Vitae (CV) of key personnel (Technician/s or installer) to provide service for the monitoring and maintenance of the PABX system with certified copies of qualification in Computer Science / Electronics /Telecommunications CompTIA A+, Network+	Technician/ installer with Bachelor's Degree in Computer Science / Electronics /Telecommunications CompTIA A+, Network+	25	
		Technician/ installer with National Diploma in Computer Science / Electronics /Telecommunications CompTIA A+, Network+	15	
		Technician/ installer with at least Certificate in Computer Science / Electronics /Telecommunications CompTIA A+, Network+	5	
		Technician with zero Qualification or No submission	0	

FINANCIAL CAPACITY Bidders are required to submit proof/evidence to demonstrate financial capacity to fault find, repair, replace, monitor and maintain PABX System for the department.	- Letter of intent from NCR (National Credit Regulator) accredited financial institutions to provide funding (<i>letter must be signed and not older than three months</i>), <u>or</u> - proof of overdraft facility in the name of business (<i>Bank letter must be signed and not older than three months</i>), <u>or</u> Proof of company capability to self-fund (i.e. <i>stamped bank statement not older than three months</i>).	Score guide	Points	15
		R100 001 and more	15	
		R60 001 – R100 000	10	
		R40 001 – R60 000	5	
		No submission of information or letter with no amount	0	
TOTAL				100

NB: The department reserves the right to verify the validity and authenticity of the above documents.

11.1.3 Phase 3: Price and Specific Goals

11.1.3.1 80/20 Preference point system [(for acquisition of goods or services for a Rand value up to R50 million (all applicable taxes included)]

The following formula must be used to calculate the points for price of tenders/procurement with the rand value up to R50 000 000.00, inclusive of all applicable taxes:

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

where:

Ps = Points scored for price of bid under consideration

Pt = Rand value of tender consideration

Pmin = Rand value of lowest acceptable tender

- a) A maximum of **20 points** will be awarded in accordance with the table below.
- b) The points scored by a tenderer in respect of the specific goals above must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
- c) Only the tender with the highest number of points scored may be selected for an award.

11.1.3.2 Preferential Points for Specific Goals:

NO	PREFERENTIAL GOALS	POINTS	MEANS OF VERIFICATION
	SPECIFIC GOALS		
1.	Black People	4	CSD report or copy of certified copy of company CIPC registration certificate
2.	Women	3	CSD report or certified copy of company CIPC registration certificate
3.	Persons with Disability	2	Original or Certified Copy of certificate/confirmation of Disability Status
	RDP GOALS		
1.	Youth	2	CSD report or certified copy of company of CIPC registration certificate
2.	Small, Medium and Micro Enterprises (SMMEs)	2	Certified copy of valid UIF registration providing number of company's employees
3.	Cooperatives	2	CSD report or certified copy of company CIPC registration certificate
4.	Enterprises located in Limpopo Province	3	Recent Municipal account <u>or</u> Local Authority Letter for confirmation of Local Address (<i>not older than 3 months</i>) or Lease Agreement not less than six (6) months (<i>refer to item 9 of the TOR</i>)

5.	Military Veteran	2	Certified copy of Military Veteran Certificate issued by Department of Military Veterans (DMV)
TOTAL		20	

12 Bidders are required to furnish documentary proof to the satisfaction of the Department that the claims for above preferential goals are correct.

13 Non-submission of the documentary proof will lead to zero (0) points on specific/preference goals.

14 Failure to claim points on the SBD 6.1 will result in non-allocation of points.

15 Points will be allocated based on the percentage of ownership per goal.

16 Definitions

“Historically Disadvantaged Individuals” means a South African citizen –

(1) Who, due to the apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act No. 110 of 1983) or the Constitution of the Republic of South Africa, 1993 (Act No. 200 of 1993) (“the Interim Constitution”); and/or

(2) Who is a female; and/or

(3) Who has a disability

Provided that a person who obtained South African citizenship on or after the coming to effect of the Interim Constitution, deemed not to be an HDI.

“Specific goals” means specific goals as contemplated in section 2(1)(d) of the Act which may include contract with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette no. 16085 dated 23 November 1994.

“Black People” is a generic term which means Africans, Coloureds and Indians as described in the Broad-Based Black Economic Empowerment Act, Act No.53 of 2003.

“Youth” has the meaning assigned to it in section 1 of the National Youth Development Agency Act, 2008 (Act No. 54 of 2008)

“Persons with Disability” - has the meaning assigned to it in section 1 of the Employment Equity Act, 1998 (Act No. 55 of 1998)

“Price” means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts

“Rand value” means the total estimated value of a contract in Rand, calculated at the time of the tender invitation.

“Lowest acceptable tender” means any tender that complies with all specifications and conditions of tender and that has the lowest price compared to other tenders.

“Highest acceptable tender” means any tender that complies with all specifications and conditions of tender and that has the highest price compared to other tenders.

“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.

“Functionality” means the measurement according to predetermined norms of a service or commodity designed to be practical and useful, working or operating, taking into account quality, viability, skills, experience and durability of a service or commodity.

“Valid document” means that attached document must stipulate issuance and expiry date.

17 BID AWARD AND CONTRACT CONDITIONS

- 17.1 Any proposal submitted by a consortium or joint venture of two or more firms must be accompanied by the consortium formation document or joint venture agreement, stating the name of the joint venture. Each member of the consortia and joint venture will be held jointly and severally liable for the performance of the consortium or joint venture.
- 17.2 Foreign firms providing proposals must be familiar with local conditions and laws and consider them in preparing their proposals.
- 17.3 Firms may not contact the Department on any matter pertaining to their bid from the time when bids are submitted to the time the contract is awarded. Any effort by a bidder to influence bid evaluation, bid comparisons or bid award decisions in any manner, may result in rejection of the bid concerned.
- 17.4 Limpopo Economic Development, Environment and Tourism reserves the right to award the bid in whole, partially or not to award at all.
- 17.5 Limpopo Economic Development, Environment and Tourism may, prior to the awarding of an application, cancel or abandon the process:
- a) Due to changed circumstance, there is no longer a need for the services tendered for

- b) If funds are no longer available to cover the total envisaged expenditure, or
- c) If no acceptable tenders are received.
- d) If there is a material irregularity in the tender process.

17.6 No bid may be awarded to any bidder whose tax matters have not been declared by SARS to be in order.

17.7 The department reserves the right to communicate with the shortlisted bidders as and when necessary.

17.8 The contract period will be from the commencement date of the contract.

17.9 LEDET reserves the rights to verify the authenticity of the information provided with SARS.

17.10 LEDET is not obliged to accept or consider any bid in full or in part or any responses or submissions in relation thereto and may reject any bid.

17.11 The appointment of the successful bidder may be subject to the conclusion of a Service Level Agreement (SLA) between the department and the successful bidder governing all rights and obligations related to the required services.

17.12 The contract shall be concluded between Limpopo Economic Development, Environment and Tourism and the successful service provider(s).

17.13 The contract period will be in terms of the acceptance letter.

17.14 Bidders shall be notified about the decision of the Department by means of publication in the Provincial Bid Bulletin, Department's website and National Treasury e-Tender Portal.

17.15 Awarding the bid may be subject to the Service Provider(s) acceptance of National Treasury General Conditions of Contract (GCC).

17.16 Submitted documents which expires before the bid closing date will not be considered.

18 **CONTRACT ADMINISTRATION**

- 18.1 The Service Provider must report to Supply Chain Management Contract unit immediately when unforeseeable circumstances will adversely affect the execution of the contract. Full particulars of such circumstances as well as the period of delay must be furnished.
- 18.2 The Service Level Agreement may be entered into between the successful bidder (herein called the "Contractor") and the Head of the Department of Economic Development and Tourism or his or her representative (herein called the "department").
- 18.3 All instructions to the Contractor shall be made by the Head of the Department or his representative.
- 18.4 The administration of the bid and contract i.e. evaluation, award, distribution of contract circulars, contract price adjustments etc., shall be the sole responsibility of the Supply Chain Management Unit.

19 BID PRICING INSTRUCTIONS

- 19.1 Bid prices should include all costs and applicable taxes, and / or any additional costs that the bidder may have. The price must be fixed unless there is a statutory price increase for the duration of the contract.
- 19.2 The onus / responsibility lies with the bidder to ensure that they have taken all the costs and escalations into consideration when compiling bid prices.
- 19.3 Arithmetic errors will be rectified on the following basis: If there is a discrepancy between the unit price and the total price that is obtained by multiplying and/or adding the unit price and quantity, the unit price shall prevail. If the bidder does not accept the correction of errors, it bid may be rejected.

20 LOCALITY

Documentary proof from a third party – recent municipal account/letter or Local Authority Letter or a signed valid lease agreement must be submitted to corroborate the physical address of the business. Lease agreement must be signed six (6) months prior to the advertisement date of the bid. Physical inspection may be conducted to confirm office location of the bidder.

21 NEGOTIATIONS

Limpopo Economic Development, Environment and Tourism reserves the right to negotiate price with recommendable bidders.

22 CONFIDENTIALITY

All documents and data provided under this contract shall remain the property of the department and shall be treated as confidential.

23 PAYMENTS

Payments shall be made in terms of the Public Finance Management Act (Act no 1 of 1999) and other related Acts.

24 BID VALIDITY PERIOD

All bids submitted by the bidders must be valid for a period of **120 days** from the closing date.

25 ADDRESS AND DEADLINE FOR SUBMISSION OF PROPOSALS

Quotations by suppliers must be hand deposited into on or before the quotation closing dates:

**Blue Quotation Box,
Evridiki Towers,
Department of Economic Development, Environment and Tourism
19 Biccard Street
Polokwane**

NB: The Department will record all quotations received by the deadline.

26 LATE BIDS

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

27 ENQUIRIES

All enquiries regarding the bid may be directed to the following:

Technical/Specification Enquiries

Mr. Ramavhoya M

Tel: (015) 293 8628

Cell: 082 562 4882

Email: RamavhoyaM@ledet.gov.za

PRICING / COSTING SCHEDULE

Please provide the following costs for the proposed solution suite (please provide detailed explanations for any costs in the "other" category or not stipulated below):

1. CATEGORY A

Cost	Additional Information	Year	Price
RECURRING COST			
A) Annual maintenance cost	- Detail the cost of annual maintenance per module or in total for 3 years. - If version and patch upgrades are not included in the maintenance cost, please specify these costs separately. - Detail any maintenance costs applicable. Also indicate the hourly rate to be charged for maintenance or any time and materials work that may be required from time to time (e.g. development of reports)	Year 1:	R
		Year 2:	R
		Year 3:	R

	TOTAL (A)		R
B) Support	- Please include helpdesk and system support fixed and variable costs. - State how the fees are structured (e.g. per call). - Detail anticipated percentage increase in support fees.	Year 1:	R
		Year 2:	R
		Year 3:	R
	TOTAL (B)		R
C) Other recurring cost	- Detail any other recurring costs that have not been included in the above categories. - If you are proposing Unified Communications as a Service, then provide a per user cost for the service over a period of 3 years	Year 1:	R
		Year 2:	R
		Year 3:	R
	TOTAL (C)		R
	GRAND TOTAL (i.e. Total A+B+C)		R
	(for Recurring Costs)		

NB: Service Providers may include a detailed cost breakdown or add an Annexure with a more comprehensive cost breakdown.

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

- 2.2.1 If so, furnish particulars:

.....

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.

- 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, (name)..... the undersigned, 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 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

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

SBD4

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	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 OR 90/10 PREFERENCE POINT SYSTEMS

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

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

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:

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

Where

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

4. POINTS AWARDED FOR SPECIFIC GOALS

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

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

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

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

The specific goals allocated points in terms of this tender		Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
PREFERENTIAL GOALS			
HDI'S			
1	Black People	4	
2	Women	3	
3	Persons with Disability	2	
SPECIFIC GOALS			
1	Youth	2	
2	Small, Medium and Micro Enterprises (SMMEs)	2	
3	Co-operatives	2	
4	Enterprise Located in Limpopo Province	3	
5	Military Veterans	2	
TOTAL		20	

Tenderers are required to furnish below documentary proof to the satisfaction of the Department that the claims for preferential goals are correct:-

	PREFERENTIAL GOALS	MEANS OF VERIFICATION
	HDI'S	
1	Black People	CSD report or certified copy of company CIPC registration certificate

2	Women	CSD report or certified copy of company CIPC registration certificate
3	Persons with Disability	Original or certified copy of certificate/confirmation of Disability Status
	SPECIFIC GOALS	
1	Youth	CSD report or certified copy of company CIPC registration certificate
2	Small, Medium and Micro Enterprises (SMMEs)	Certified copy of valid UIF registration, providing number of company's employees
3	Co-operatives	CSD report or certified copy of company CIPC registration certificate
4	Enterprise Located in Limpopo Province	Recent Municipal account or Local Authority Letter for confirmation of Local Address (not older than 3 months) or Lease Agreement not less than six (6) months
5	Military Veterans	Certified copy of Military Veteran certificate issued by the Department of Military Veterans (DMV)

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	Date
.....	
Position	Name of bidder

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

- 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)