

Annexure A

BID SPECIFICATIONS FOR THE APPOINTMENT OF A DISTRIBUTION SERVICE PROVIDER FOR ALL GCIS-PRODUCED PRODUCTS AND AD HOC WORK FOCUSING MORE TOWARDS THE NATIONAL, FORTNIGHTLY DISTRIBUTION OF THE GOVERNMENT NEWSPAPER, *VUK'UZENZELE*.

RFB 012-2021/2022

The Opportunity: The Department of Government Communication and Information System (GCIS) is inviting service providers to submit proposals on the distribution of all GCIS produced products and ad-hoc work focusing more on the fortnightly, GCIS-produced newspaper, *Vuk'uzenzele*.

The successful bidder will be appointed for a contract period of twenty-three months (23 months) from 1 May 2022 – 31 March 2024.

The distribution contract will cover the April 2022 edition to February 2024 edition (23 editions). The service provider will be appointed in May 2022 in order to distribute the April 2022 edition and May 2022 edition.

This is an opportunity for a service provider to join GCIS in the execution of marketing tactics and dissemination of publications containing information that helps to improve the lives of millions of South Africans and encourages citizens to be active participants in this democratic society.

Bidders should set out to offer value for money, bearing in mind the importance of public service, the current economic climate and the fact that the funds available are derived from the broader South African public, which includes the business community itself.

For the purpose of evaluating prospective bidders for the tender, the case study Annexure A will focus on the GCIS-produced newspaper, *Vuk'uzenzele*.

1. Background:

1.1. *Vuk'uzenzele* is produced by the GCIS to enhance awareness of government programmes and opportunities for citizens. The newspaper is distributed mainly in communities that have limited access to commercial media. The 16-page, tabloid-format newspaper with a print run of 850 000 copies per edition will be distributed once a month.

1.2. The publication supports GCIS efforts to ensure that citizens are empowered with information about opportunities that they can access and use to improve their lives and those of the communities within which

they live. The publication is a carrier of government communication campaigns and recruitment vacancies including tenders and notices

1.3. *Vuk'uzenzele* is available free of charge and is published in all official languages, including Braille. *Vuk'uzenzele* has its own mobile application and a PDF edition is available online at www.vukuzenzele.gov.za

1.4. Ad hoc distribution work ranges from products such as Annual Report, Official Guide to South Africa or work briefed in by government departments. The distribution methodologies can differ per product.

2. Target Audience of the newspaper

2.1. *Vuk'uzenzele* is meant for all South Africans with a specific target audience for the hard copy.

2.2. The primary target market for the hard copy gives preference to communities residing in rural areas. Current research findings indicate that rural areas are more predominant in Kwa-Zulu Natal, Limpopo, Mpumalanga, Eastern Cape and in decreasing numbers in North West, Free State, Gauteng, Western and Northern Cape.

2.3. Furthermore it should be indicated that according to the Government Segmentation Model (GSM) the hard copy target audience form mainly part of Segment 1 (Rooted Realists) whereas the *Vuk'uzenzele* mobile application and online version are aimed at Segment 2 (City Seekers), Segments 3 (Safety Suburbs), 4 (Metro Mobiles) and 5 (Cosmopolitan Capital) including those having access to internet and data.

3. Distribution methodologies and channels

3.1. Knock-and-Drop distribution

3.1.1. This is the primary and preferred means of distribution.

3.1.2. Research conducted by GCIS indicates that readers/users of the newspaper prefer knock-and-drop as a distribution method. Approximately 94% of the publication is distributed to the target audience through knock-and-drop, with an expected penetration level of 100% of households in specified distribution areas (with the exception of left over copies in order to round off to the total of 850 000 copies per edition).

3.1.3. Through the use of research tools / systems, it is necessary to have a Geographic Information System (GIS) capable of modelling Census and other associated demographic research data, the appointed distribution service provider must be able to identify the areas and locations of the

target market of the publication. This information is critical and must be used to inform the knock and drop distribution strategy.

3.2. **GCIS Head Office, Provincial and District Offices**

- 3.2.1. Approximately 3% of the print run is distributed to selected distribution outlets.
- 3.2.2. Provincial and district offices are located in each province. GCIS Officers linked to these offices receive the newspaper and disseminate it during community outreach programmes, events and workshops with the local communities they service. These offices also have Information Resources Centres (IRC) where the public can access information on government programmes.
- 3.2.3. The GCIS head office is located in Pretoria, it serves as a distribution point for getting the newspaper to individual subscribers including Ministers, Deputy Ministers, Directors-General, media representatives and the GCIS Information Resource Centre (IRC).

3.3. **Activations**

- 3.3.1. Brand activations are currently playing a key role in increasing awareness levels. Approximately 3% of print run is distributed at taxi ranks.
- 3.3.2. Other distribution methodologies may include hand-outs, courier, freight transportation, postal services etc.

4. **The Challenge:**

- 4.1. Bidders are expected to address the following **DISTRIBUTION OBJECTIVES** in their proposals:
 - 4.1.1. ***Effective planning, management and execution of the distribution process:***
 - 4.1.1.1. The successful bidder should have recognised, market-related experience and proven competence in knock-and-drop as well as physical distribution to outlets. Such experience should have been gained distributing high volumes of printed marketing, advertising and communication material to the same or similar markets of the newspaper, viz. residing in deep rural, rural and peri-urban markets.
 - 4.1.1.2. Experience gained in distribution services to Public Sector organisations is preferred but not an absolute prerequisite.

- 4.1.1.3. The successful bidder should demonstrate a proactive, hands-on approach to the manner in which the work is planned, managed and executed. Formal quality management systems and continuous improvement programmes must form part of the business process of the organisation.
- 4.1.1.4. The successful bidder's services should at all times be available to the GCIS. This means bidders must prove effective continuity and disaster management plans as well as the understanding that GCIS is a priority customer given the markets served and the nature of the product being distributed.
- 4.1.1.5. A dedicated management/project team will be a requirement. Members should avail themselves to attend pre-distribution, post-distribution and operation meetings/workshops.
- 4.1.1.6. At commencement of the contract, GCIS will provide the successful distribution service provider an initial distribution strategy linked to a distribution plan at suburb level. It is a requirement that this data be translated by the appointed service provider into a distribution plan, which will be managed by the service provider and any changes will be approved by the GCIS. It must be noted that this data remains the property of GCIS and will be retained at the end of the contract period.
- 4.1.1.7. Bidders must develop a distribution strategy and plan under the management and approval of the GCIS Distribution Manager during pre-distribution meetings for each edition of the newspaper. This strategy and plan should include distribution via knock-and-drop to homes, GCIS Head Office, Vuk'uzenzele Head Office, GCIS Provincial Offices, GCIS District Offices and Parliament including branded activations.
- 4.1.1.8. In addition bidders must develop a breakdown of the languages, posters and the quantities required per distribution depot for production and delivery purposes by the printers.
- 4.1.1.9. Receipt and counting process of the newspaper on delivery by the printer/s directly at distribution depots, shrink-wrapped in batches of 100 copies each. A print-run verification sheet and Stock Report confirming stock received must be sent to the Distribution Manager on the same day stock was received. GCIS will supply a template for completion post award of the tender.
- 4.1.1.10. Distribution will commence the following day upon receipt of stock from the printer the previous day by 12h00.
- 4.1.1.11. A distribution period of 5 (five) days will be allowed to distribute to bulk points and knock and drop areas.
- 4.1.1.12. Packaging and transportation of the newspaper to the identified distribution outlets to be informed by the specific distribution strategy

and plan agreed between the two parties prior to distribution. Note that shipping/distribution is not allowed prior to the finalisation of the distribution strategy; the strategy must be approved by designated officials from both parties.

- 4.1.1.13. The bidder will be responsible for repackaging the printed material, according to addresses, quantities and languages indicated in the distribution plan approved by the GCIS.
- 4.1.1.14. The distribution for each edition should be completed within 5 working days after the agreed commencement date. It is a requirement that distribution to both areas for knock-and-drop as well as to the selected outlets be executed in line with a specific date per point (in the case of points) and per area (in the case of knock and drop area). These dates will be assigned by the distribution service provider and communicated to GCIS, 3 working days prior to agreed commencement date. No amendments will be accepted after submission of the plan as indicated.
- 4.1.1.15. Currently, promotional posters are printed and distributed per quarter. The successful service provider will be expected to assist the Distribution Manager to distribute and display the posters according to the distribution strategy or otherwise directed by GCIS.
- 4.1.1.16. The successful service provider must provide daily feedback to the Distribution Manager on planned vs actual distribution progress made. Standard reports emailed will be required unless otherwise agreed to.
- 4.1.1.17. The service provider must keep distribution documentation per-edition relating to pre-distribution, during distribution and post distribution at branch/depot level, including the service provider head office. These files must be available for inspection by GCIS officials and kept in good order.
- 4.1.1.18. The distribution service provider will be required to provide adequate proof of delivery for distribution to outlets as well as through knock-and-drop. These documents must be used to develop a presentation which is to be presented to GCIS within 21 working days after the completion of distribution. It is a requirement that proof of delivery must be standardized across the entire distribution network. A copy of the proof of deliveries for knock-and-drop as well as points must accompany this bid.
- 4.1.1.19. The successful service provider must provide an accurate account of all newspapers received and distributed.
- 4.1.1.20. The successful service provider will be required to attend a weekly operations meeting with the GCIS Distribution Manager.
- 4.1.1.21. Where deviations from the agreed distribution plan occur, the service provider will be required to provide resolution within 2 (two) working days

of reporting. These will be tracked by GCIS on an issue log which is then addressed at the weekly operations meeting. However distribution must be completed within the 5 days of distribution.

- 4.1.1.22. One order number will be raised annually. However, the service provider is expected to submit quotations per edition which correspond to the approved distribution strategy.
- 4.1.1.23. GCIS will only pay upon supply of adequate proof of delivery; therefore the service provider is expected to provide all proof of deliveries in the agreed format with the invoice. Submission of the invoice as well as supporting documentation as indicated must take place within 21 days post completion of distribution.
- 4.1.1.24. An on-going plan with respect to managing the risk of dumping must be in place. This plan should involve various aspects i.e. internal communication, tracking of vehicles, physical inspection within the scope of operations as well as to high-risk sites which show potential for dumping i.e. recycling facilities.
- 4.1.1.25. The successful bidder will be required to quality control its own work and manage any sub-contractors in a highly professional manner to ensure alignment to the objectives of the newspaper.
- 4.1.1.26. As per the National Treasury regulation: *"A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract."*

4.1.2. *Effective reach of the primary target market residing in rural and peri-urban areas; also, GCIS provincial and district offices:*

- 4.1.2.1. The prospective service provider is required to possess a national infrastructure which is capable of handling current and potential future growth of the publication. This infrastructure includes warehouses, appropriate delivery vehicles, materials handling equipment, distribution management technology and / or manual processes as well as human capital across the network.
- 4.1.2.2. It is expected that the prospective service provider is represented in all nine provinces and is able to reach deep rural, rural and peri-urban markets within the stipulated timeframes.
- 4.1.2.3. Under no circumstances will GCIS accept operations conducted out of makeshift warehouses or garages located on private or residential premises. It is expected that the potential service provider maintain a suitable standard of professionalism and security in this regard.

- 4.1.2.4. The service provider should have a pre-existing set of distribution databases containing outlets and areas where the rural and peri-urban markets can be effectively reached. These databases should clearly identify a target market at municipal, suburban and pocket (area within a suburb) level. The type of information, which should be available, is as follows:
- 4.1.2.5. For knock and drop areas:
- Rural and peri-urban breakdown per area
 - Household counts
 - Predominant language
- 4.1.2.6. For bulk drop points:
- Rural and peri-urban breakdown per point
 - Predominant language
 - Physical address
 - Postal address
- 4.1.2.7. For activations / loud hailer points e.g taxi ranks:
- Rural and peri-urban breakdown per area
 - Household counts in the area
 - Predominant language
- 4.1.2.8. Resources which are able to build and maintain databases associated with the distribution of the newspaper will be required.
- 4.1.3. ***Ensuring that the correct language breakdown is done so that the publication is distributed to the correct target market:***
- 4.1.3.1. The successful company should demonstrate a sound understanding of the dynamics of rural and peri-urban market. This should be evidenced through longstanding experience gained by serving the same or similar markets coupled with the use of reliable, accurate and relevant demographic data.
- 4.1.3.2. The potential service provider must make use of a suitable Geographic Information System which is capable of modeling Census as well as other geospatial data which guide and inform the distribution strategy of the newspaper.
- 4.1.3.3. The successful service will be required to transfer knowledge and skills to GCIS officials related to research tools such as Geographical Information Systems (GIS) used to identify and segment target markets.

4.1.4. Maintaining a regular, successful distribution turnaround time for each distribution drive:

4.1.4.1. The successful bidder will be required to distribute the publication within the timeframes agreed to in the distribution strategy approved for each distribution drive.

4.1.4.2. The overall time frame for distribution of the publication is 5 ½ (five and a half) working days broken down as follows; a max of 1/2 day for receipt, verification and preparation of stock for distribution thereafter 5 (five) days for actual distribution to points and distribution areas for knock and drop distribution.

4.1.4.3. The service provider must be to able handle current and potential future growth of the publication e.g. increase in the print run, increase in the number of pages, increase in distribution areas or points and as well the increase in the frequency of the publication to a weekly or daily distribution thereof.

4.1.5. Sustaining a good working relationship between the appointed distribution service provider and GCIS as well as other stakeholders internal and external to government:

4.1.5.1. The successful company will work closely with the Distribution Manager of the newspaper in order to ensure an extremely high level of service delivery to the target citizens.

4.1.5.2. It is expected that the service provider appoint or construct a dedicated management/project team headed by a hands-on Project Manager. The team should be consist of members who are suitably qualified to handle a project of this nature. Ideally, the project team should be focused specifically on the distribution of Vuk'uzenzele. The project team should be able to support any ad-hoc work.

4.1.5.3. The Project Manager is expected to be available at all times and be highly responsive to the current and future distribution needs of the newspaper or ad-hoc work.

4.1.6. Implementation of mechanisms to evaluate the effectiveness and impact of the distribution strategy as well as the distribution processes for the publication:

4.1.6.1. It will be required that site visits are regularly conducted as well as checks and cold calls (which may involve participation by senior management, auditors, GCIS regional managers and departmental counterparts) to distribution sites to verify accuracy of registers, reports and operations by partners.

4.1.6.2. The service provider must have a functional monitoring and evaluation system in place, this means that they must be able to account for all copies of the newspaper received by them, stored and handled during the distribution process as well as after the distribution process has been completed. Regular feedback to GCIS on reach and use of the newspaper should be included in the proposal.

4.1.6.3. Make provision for the submission of completed, properly audited reports after each distribution drive including distribution directly to households. These reports are to be presented at a post distribution meeting, which will take place 21 days after the completion of distribution.

4.1.7. *Innovation including ad hoc marketing and distribution work:*

4.1.7.1. It is required that the successful bidder keep abreast with newspaper and / or physical distribution or marketing best practices and inform GCIS where areas of opportunity exist – without creating operational instability and undermining current successes at any point in time.

4.1.7.2. The bidder should be able to execute or manage the outsourcing of any ad-hoc distribution, printing or marketing work in support of distribution projects. These requirements will be agreed upon per project or campaign. Herewith four examples. Example 1: Freight/bulk collection, transportation, splitting and packaging of stock and delivery to depots. Example 2: Courier work to points. Example 3: Printing of distribution or marketing material in support of a distribution project such as marketing collateral, branding, publications, poster etc. Example 4: Execution of activations or handouts.

5. Specific Conditions:

5.1. GCIS reserves the right to increase and decrease the print run, frequency and number of pages at any time throughout the contract period. This means that GCIS has the right to increase or decrease the distribution time frames throughout the contract period.

5.2. GCIS reserves the right to engage with any distribution service provider able to fulfil a specific distribution need where the successful company is unable to do so within the time, cost and quality aspects of the contract or approved distribution strategy per edition.

5.3. All databases and distribution data generated throughout the contract period is and remains the property of GCIS.

5.4. GCIS may require that the successful bidder provide quotations and provide services for knock and drop, bulk distribution, marketing support or ad-hoc work as in point 4.1.7.2 on projects other than Vuk'uzenzele. These will be communicated as and when the need arises.

- 5.5. The service provider will be required to work in conjunction with the Distribution Manager on any marketing activities undertaken by GCIS to promote the newspaper or ad-hoc publications.
- 5.6. It will be expected of the successful bidder to sign a Service Level Agreement (SLA) with GCIS prior to the commencement of distribution. The SLA will contain both performance and conformance penalty clauses.
- 5.7. Maintain strong ethical standards founded on the values of professionalism, honesty, openness and transparency in its work and its liaison with officials from GCIS.
- 5.8. The successful bidder must take out insurance for their own account to cover possible damage, spoilage, storage period, shrinkages and theft of the printed material to be transported and distributed in terms of the contract before the commencement of the contract. The successful bidder **must** have liability insurance for the duration of the contract period of not less than R1 500 000 (one million five hundred thousand rand) cover. Failure to submit a valid proof of insurance cover (not an undertaking to be covered but proof of insurance cover e.g insurance policy schedule) by the successful bidder within 07 (seven) business days after being issued with a letter of appointment will result in the cancellation of the award.
- 5.9. An invite will be sent to the successful Bidders, which includes the date, time and location.
- 5.10. At this stage, the Bidder/s will be granted an opportunity to clarify or elaborate on the initial proposal.
- 5.11. The presentation session is a fact-finding and explanation.
- 5.12. Session only and No negotiations will be entered into.

6. Specific requirements associated with the response to the bid and information to be submitted by all bidders:

- 6.1. The GCIS will be receptive to any existing consortium or any consortium being created for the purpose of rendering the required services as indicated in the specifications. Please refer to 4.1.1.26 with regards to sub-contracting.
- 6.2. Bids shall be in the form of a proposal in which the bidder will indicate why s/he would be able to execute the contract to the satisfaction of the GCIS and the following aspects will have to be addressed in particular:

- 6.3. Bid proposals must include a comprehensive company profile. Bidders must furnish as much information as possible. Relevant aspects, which have to be addressed by all bidders, are reflected in the evaluation criteria.
- 6.4. A detailed outline of the modus operandi and the handling, operation and servicing of the account must be furnished. An indication of how the service provider will execute the work from first engagement with GCIS post appointment and the following phases of distribution of the newspaper:
- Pre
 - During
 - Post
- 6.5. Completion and submission of the case study as per the attached template (Annexure B).
- 6.6. Considering that the contract comprises the provision of distribution services for 850 000 newspapers residing in rural and peri-urban areas across the country, an indication of the extent of available infrastructure and capacity to handle the entire contract must be provided as per attached template (Annexure C). A detailed breakdown of people, vehicles, sites, materials handling equipment per branch / agent must be submitted.
- 6.7. An indication of how the bidder will ensure involvement of B-BBEE and small business must be included.
- 7. Compulsory requirements - Parties wishing to bid must:**
- 7.1. Have proven ability and/or manifest potential to provide a satisfactory distribution service to the State.
- 7.2. Be able to offer a cost-effective service to the State: in other words, the service should cost the State less than what it would cost to handle the distribution itself in a decentralised manner as discounts based on bulk, volume and frequency would be accrued.
- 7.3. The bidder must be registered as a service provider on the Central Supplier Database (CSD). If you are not registered, proceed to log on <https://secure.csd.gov.za> to register and submit proof of registration.. However at the award stage the bidder must produce proof of registration on CSD, if not the bid proposal will disqualified and considered non-responsive.

8. Pricing:

8.1. The pricing schedule for distribution should be structured as follows:

Period	Total print run	Number of editions	Total cost including VAT and any other increases applicable.
1 May 2022 – 30 April 2023	11 050 000	13	R
1 February 2023 – 29 February 2024	8 500 000	10	R

8.2. Bids should provide a detailed outline of the total cost for each distribution drive, and all the variables that were considered to quantify the quoted cost, as well as special negotiated tariffs / percentage discounts which are offered.

8.3. Rates per copy will be fixed for the twenty-two (23) distribution editions

8.4. The total cost should include VAT and other increases applicable.

8.5. The grand total should be the same as on SBD 3.3 including Vat. Should there be inconsistency between this paragraph 9 and the SBD 3.3, the price offer reflected on SBD 3.3 will be deemed as the offer for this service “appointment of a distribution service provider for all GCIS-Produced Products and ad hoc work focusing more towards the national, fortnightly distribution of the government newspaper, Vuk’uzenzele .It is therefore the responsibility of the prospective bidder to ensure that there is consistency.

9. Bid Evaluation Method

9.1. The proposals will be evaluated in terms of the Preferential Procurement Policy Framework Act (Act 5 of 2000) and Regulation 2017 on the basis of functionality and the 80/20-preference points system.

9.2. The evaluation process will be as follows:

Gate 0: Pre-Qualification Criteria	Gate 1: Functionality (Minimum Score is 70% or more)	Gate 2: Presentations (Only Bidders who meet the minimum functionality score of 70% or more)	Gate 3: Price and B- BBEE Points
---	--	--	---

1. The bidder must be registered as a service provider on the Central Supplier Database (CSD). If you are not registered, proceed to log on https://secure.csd.gov.za to register and submit proof of registration.: 2. The price to be considered will be the total price offer given in SBD 3.3: Pricing Schedule.	1. Bidders must meet a minimum score of 70% or more. 2. Bidders that score 70% or more will progress to the following stage, Gate 2.	1. Bidders who met Gate 1 requirements will be invited to give presentations to the GCIS Evaluation Panel at no cost to GCIS.	1. Bidders who wish to claim points in terms of preferential procurement should submit a valid proof of the Bidder's B-BBEE Status Level of Contribution or a Sworn Affidavit signed by the Commissioner of Oath.
--	--	--	--

9.3. Bidders who fail to submit any of the documents listed in the table in paragraph 9.2 above will be disqualified.

9.4. GCIS will assess the functionality of each proposal taking into account the following criteria:

TECHNICAL	WEIGHT	VALUE
-----------	--------	-------

Values: Non-submission = 0, 1 = Poor; 2 = Average; 3 = Acceptable; 4 = Very good; 5 = Excellent

The percentage for functionality will be calculated as follows:

$$\frac{A}{B} \times 100$$

Where:

A = total score of the bidder

B = maximum score, i.e. 500

- 9.5. GCIS will only evaluate bids that comply with the mandatory requirements and are submitted on the specified timeframe.
- 9.6. The evaluation criteria to be used in Gate 1: Functionality:

Aspect	Description	Weight	Value
1. Company profile and sustaining a good working relationship between the appointed service provider, GCIS and other stakeholders internal and external to government.	1.1. A detailed company profile which outlines broad experience gained serving the same or similar markets as those of the <i>Vuk'uzenzele</i> newspaper.	10 (2.5)	
	1.2. Appointment of a project team lead by a project manager who possesses sound experience in handling the operations as well as the client relations aspects of the account.	(2.5)	
	1.3. Management team dedicated to the GCIS account.	(2.5)	
	1.4. 24/7 availability of the dedicated project manager to service GCIS's needs.	(2.5)	
2. Effective planning, management and execution of the distribution process	<u>Operational process:</u>	35	
	1.1. Submission of a comprehensive modus operandi of how the account will be serviced from first engagement post appointment as well as the on-going pre, during and post distribution phases.	(7)	
	<u>Competency :</u>	(7)	
	1.2. Proven competency in the provision of knock and drop distribution services to areas residing in deep rural, rural and peri-urban markets.	(7)	
	1.3. Proven competency in the provision of physical (bulk) distribution services residing in deep rural, rural and peri-urban markets as well as urban and metropolitan areas as and when required.		
	1.4. Ability to handle large volumes of printed marketing, advertising and communication material.		
	1.5. Provision of distribution services to public sector organizations.		
	1.6. Ability to handle current and future growth of the publication e.g increase in the print run, number of pages, areas, points and frequency.		
	<u>Ability to distribute within set timeframes:</u>		
	1.7. Proven ability to develop distribution plans based on a strategy provided by a client.		
	1.8. Proven ability to receive, verify, pick& pack 850 000 units per edition within less than a ½ day.		
	1.9. Ability to complete the distribution within 5 (five) working days after the agreed commencement date.		
	1.10. Ability to provide a specific date of delivery for points identified in the distribution strategy.		

	1.11. Ability to provide a specific date of delivery for areas (at suburb level) identified in the distribution strategy. 1.12. Ability to provide the dates in 2.9 and 2.10, 3 (three) working days prior to the agreed commencement date. 1.13. Ability to receive, pick, pack, ship and display mobilization posters. <u>Operational admin management:</u> 1.14. Ability to provide daily reports on the planned vs. actual distribution progress made to GCIS Distribution Manager. 1.15. Ability to keep distribution documentation e.g. planning sheets, manifests, load sheets, trip sheets, logs, proof of deliveries, back checks, branch reports per edition relating to the pre-distribution, during distribution and post distribution phase at branch level. 1.16. Ability to provide adequate proof of deliveries for knock and drop as well as points. Is the proof of delivery standardized across the network? Example of each to be attached. 1.17. Evidence of a distribution presentation, invoice, proof of distribution and supporting documents to a client which must be able to be produced and conducted within 21 working days after completion of distribution. Ability of the full project team to attend a post distribution meeting 1.18. Proven ability to provide an accurate account of 850 000 copies received and distributed. 1.19. Ability to attend a weekly operations meeting with the GCIS Distribution Manager. 1.20. Ability to submit quotations per edition to GCIS. <u>Monitoring management:</u> 1.21. Evidence of an on-going plan to manage the risk of dumping. 1.22. Evidence of a structured site visit program which is executed by the prospective service provider and will allow participation by GCIS officials as and when required. 1.23. Evidence of a functional monitoring and evaluation system which will provide the ability to account for all copies handled by the service provider from the point of receipt to final distribution. Ability to submit properly audited reports after each distribution drive.	(7)
--	---	-----

3. Correct language breakdown and effective reach of the primary target market residing in deep rural, rural and peri-urban areas, including GCIS Provincial Offices and District Offices	3.1. Evidence of a national infrastructure which is capable of handling both the current and potential future growth of the publication. 3.2. Representation by the company in all 9 provinces and evidence of the ability to adequately reach deep rural, rural and peri-urban markets. 3.3. Provision of an indication, visuals would be preferred of the type of warehouses used to conduct operations out of. 3.4. Evidence of pre-existing distribution databases containing outlets and areas where the deep rural, rural and peri-urban areas can be adequately reached. Do these databases clearly identify a target market at municipal, suburb, pocket (area within a suburb) level. 3.5. Ability to provide and make use of the following information when planning distribution: 3.5.1. Rural, Deep rural and per – urban breakdown per area 3.5.2. Household counts 3.5.3. Predominant language 3.5.4. Physical addresses 3.5.5. Postal addresses 3.6. In-house resources able to build and maintain databases associated with the distribution of the newspaper 3.7. Evidence that the prospective bidder possesses a sound understanding of the dynamics of the deep rural, rural and per-urban market. This should be illustrated through both experience as well as factual data. Does the company have a clear process to filter on the ground experience to the client? 3.8. Possess a suitable Geographic Information System which is capable of modelling Census as well as other geospatial data. Recognized systems are MapInfo and ESRI. 3.9. Ability to transfer knowledge and skills to GCIS officials in this regard.	35 (4) (4) (2.5) (4) (4) (4) (4) (4) (4) (4) (4) (6) (2.5)	
4. B-BBEE and small business development.	4.1. Present the extent to which B-BBEE and small business are empowered with sustainable job opportunities and development throughout the value chain.	10	
5. General	5.1. Awareness and practical use of marketing and distribution tactics which will enhance the profile of the newspaper amongst the rural, deep rural and peri-urban market. 5.2. Utilisation of existing networks as well as continues expansion through the identification of new distribution and marketing opportunities in line with a specific target audience. Ability and willingness to manage, execute and	10 (2.5) (2.5)	

	support ad-hoc work in support of distribution projects.		
	5.3. Ability to work in conjunction with the GCIS Distribution Manager on any marketing activities undertaken to promote the newspaper.	(2.5)	
	5.4. Evidence of a sound practice of corporate governance founded on the values of professionalism, honesty, openness and transparency	(2.5)	
Total		100	

Values: : Non-submission = 0, 1 = Poor; 2 = Average; 3 = Acceptable; 4 = Very good; 5 = Excellent

10. Second Evaluation Phase

10.1. Gate 2: Presentation Session Functionality Criteria

Aspect	Description	Weight	Value
2. Company profile and sustaining a good working relationship between the appointed service provider, GCIS and other stakeholders internal and external to government.	2.1. A detailed company profile which outlines broad experience gained serving the same or similar markets as those of the <i>Vuk'uzenzele</i> newspaper.	10 (2.5)	
	2.2. Appointment of a project team lead by a project manager who possesses sound experience in handling the operations as well as the client relations aspects of the account.	(2.5)	
	2.3. Management team dedicated to the GCIS account.	(2.5)	
	2.4. 24/7 availability of the dedicated project manager to service GCIS's needs.	(2.5)	
3. Effective planning, management and execution of the distribution process	<u>Operational process:</u>	35	
	3.1. Submission of a comprehensive modus operandi of how the account will be serviced from first engagement post appointment as well as the on-going pre, during and post distribution phases.	(7)	
	<u>Competency :</u>	(7)	
	3.2. Proven competency in the provision of knock and drop distribution services to areas residing in deep rural, rural and peri-urban markets.		
	3.3. Proven competency in the provision of physical (bulk) distribution services residing in deep rural, rural and peri-urban markets as well as urban and metropolitan areas as and when required.		
	3.4. Ability to handle large volumes of printed marketing, advertising and communication material.		
	3.5. Provision of distribution services to public sector organizations.		
	3.6. Ability to handle current and future growth of the publication e.g increase in the print run, number of pages, areas, points and frequency.	(7)	
	<u>Ability to distribute within set timeframes:</u>		
	3.7. Proven ability to develop distribution plans based on a strategy provided by a client.		
	3.8. Proven ability to receive, verify, pick& pack 850 000 units per edition within less than a ½ day.		
	3.9. Ability to complete the distribution within 5 (five) working days after the agreed commencement date.		
	3.10. Ability to provide a specific date of delivery for points identified in the distribution strategy.		

	3.11. Ability to provide a specific date of delivery for areas (at suburb level) identified in the distribution strategy. 3.12. Ability to provide the dates in 2.9 and 2.10, 3 (three) working days prior to the agreed commencement date. 3.13. Ability to receive, pick, pack, ship and display mobilization posters. <u>Operational admin management:</u> 3.14. Ability to provide daily reports on the planned vs. actual distribution progress made to GCIS Distribution Manager. 3.15. Ability to keep distribution documentation e.g. planning sheets, manifests, load sheets, trip sheets, logs, proof of deliveries, back checks, branch reports per edition relating to the pre-distribution, during distribution and post distribution phase at branch level. 3.16. Ability to provide adequate proof of deliveries for knock and drop as well as points. Is the proof of delivery standardized across the network? Example of each to be attached. 3.17. Evidence of a distribution presentation, invoice, proof of distribution and supporting documents to a client which must be able to be produced and conducted within 21 working days after completion of distribution. Ability of the full project team to attend a post distribution meeting 3.18. Proven ability to provide an accurate account of 850 000 copies received and distributed. 3.19. Ability to attend a weekly operations meeting with the GCIS Distribution Manager. 3.20. Ability to submit quotations per edition to GCIS. <u>Monitoring management:</u> 3.21. Evidence of an on-going plan to manage the risk of dumping. 3.22. Evidence of a structured site visit program which is executed by the prospective service provider and will allow participation by GCIS officials as and when required. 3.23. Evidence of a functional monitoring and evaluation system which will provide the ability to account for all copies handled by the service provider from the point of receipt to final distribution. 3.24. Ability to submit properly audited reports after each distribution drive.	(7)	
--	---	-----	--

4. Correct language breakdown and effective reach of the primary target market residing in deep rural, rural and peri-urban areas, including GCIS Provincial Offices and District Offices	4.1. Evidence of a national infrastructure which is capable of handling both the current and potential future growth of the publication.	35 (4)	
	4.2. Representation by the company in all 9 provinces and evidence of the ability to adequately reach deep rural, rural and peri-urban markets.	(4)	
	4.3. Provision of an indication, visuals would be preferred of the type of warehouses used to conduct operations out of.	(2.5)	
	4.4. Evidence of pre-existing distribution databases containing outlets and areas where the deep rural, rural and peri-urban areas can be adequately reached. Do these databases clearly identify a target market at municipal, suburb, pocket (area within a suburb) level.	(4)	
	4.5. Ability to provide and make use of the following information when planning distribution:	(4)	
	4.5.1. Rural, Deep rural and per – urban breakdown per area		
	4.5.2. Household counts		
	4.5.3. Predominant language		
	4.5.4. Physical addresses		
	4.5.5. Postal addresses		
5. BBB- EE	4.6. In-house resources able to build and maintain databases associated with the distribution of the newspaper	(4)	
	4.7. Evidence that the prospective bidder possesses a sound understanding of the dynamics of the deep rural, rural and per-urban market. This should be illustrated through both experience as well as factual data. Does the company have a clear process to filter on the ground experience to the client?	(4)	
	4.8. Possess a suitable Geographic Information System which is capable of modelling Census as well as other geospatial data. Recognized systems are MapInfo and ESRI.	(6)	
6. General	4.9. Ability to transfer knowledge and skills to GCIS officials in this regard.	(2.5)	
	5.1. Present the extent to which BBB-EE are empowered with sustainable job opportunities and development throughout the value chain.	10	
6. General	6.1. Awareness and practical use of marketing and distribution tactics, which will enhance the profile of the newspaper amongst the rural, deep rural and peri-urban market.	10 (2.5)	
	6.2. Utilisation of existing networks as well as continues expansion through the identification of new distribution and marketing opportunities in line with a specific target audience. Ability and willingness to manage, execute and	(2.5)	

	support ad hoc work in support of distribution projects.		
	6.3. Ability to work in conjunction with the GCIS Distribution Manager on any marketing activities undertaken to promote the newspaper.	(2.5)	
	6.4. Evidence of a sound practice of corporate governance founded on the values of professionalism, honesty, openness and transparency.	(2.5)	
Total		100	

11. Preferential procurement

Bidders that wish to claim points in terms of preferential procurement must complete the SBD 6.1 form.

The breakdown of points for this phase will be as follows:

Area of evaluation	Points
1. Price	80
2. BBBEE Level of Contribution	20
TOTAL	100

Bidders other than EMEs must submit the proof of a valid B-BBEE status level of contributor certificate or valid Sworn Affidavit signed by commissioner of oath thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.

12. General

- 12.1. CPA applications will be applied strictly according to the specified formula and parameters above as well as the cost breakdown supplied by bidders in their bid documents.
- 12.2. In the event where the supplier's CPA application, based on the above formula and parameters, differs from Contract Management's verification, Contract Management will consult with the supplier to resolve the differences.
- 12.3. An electronic price adjustment calculator will be available on request from Contract Management.

13. Submission of the Bids

- 13.1. Potential service providers are welcome to communicate in writing to the GCIS to get clarity.
- 13.2. Deadline for submission of bids: Prospective service providers must submit their bids (information required and all relevant documents and forms attached to this bid) **to GCIS by no later than 11:00 on 2 March 2022**
- 13.3. Complete and sign where applicable, all the attached forms in full.
- 13.4. Deposit bids in a sealed envelope, for the attention of The Head: Supply Chain Management, with the proposal description, Bid number and closing date in the "Tender Box" at the reception at GCIS headquarters, 1035 Tshedimosetso House, Cnr Festival and Frances Baard Streets, Hatfield.

14. Disclaimer

- 14.1. GCIS reserves the right not to award the bid for any reasons deemed reasonable guided by the National Treasury and respective prescripts.
- 14.2. GCIS reserves the right to award the bid in part.
- 14.3. GCIS reserves the right to award the required services to multiple service providers.
- 14.4. By submitting the tender documents, the bidder agrees and consents in terms of Section 11(1) of the Protection of Personal Information Act, 2013 (POPIA), to your personal information which you provide to the GCIS being processed by the GCIS and its employees, agents, Cabinet committees, National Treasury, Auditor-General of South Africa and sub-contractors for procurement purposes, in accordance with the POPIA.

15. Enquiries

For information on **bidding procedures and procurement related issues**, please contact: tenders@gcis.gov.za

OR

15.1. FOR CONTENT RELATED QUERIES ONLY

Contact Person: Nicolette Prinsloo

Director: Marketing and Distribution
Tel: (012) 473 0203 / 0723352801
Email: nicolette@gcis.gov.za

15.2. FOR BIDDING PROCEDURES QUERIES ONLY

Contact Person: Mpho Ramashi
Supply Chain Management
Tel: (012) 473 0194
Email: Mpho@gcis.gov.za

15.2.1. Contact Person: Namane Mahlaba
Supply Chain Management
Tel: (012) 473 0093
Email: namane@gcis.gov.za

Approved

Mr Tyrone Seale
Acting Deputy Director General
Content Processing and Dissemination
Date:

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:	RFB 012/2021-2022	CLOSING DATE: 02 MARCH 2022	Validity Period: 120 Days	CLOSING TIME:	11:00
DESCRIPTION	BID SPECIFICATIONS FOR THE APPOINTMENT OF A DISTRIBUTION SERVICE PROVIDER FOR ALL GCIS-PRODUCED PRODUCTS AND AD HOC WORK FOCUSING MORE TOWARDS THE NATIONAL, FORTNIGHTLY DISTRIBUTION OF THE GOVERNMENT NEWSPAPER, VUK'UZENZELE.				
BID RESPONSE DOCUMENTS MUST BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
GCIS					
1035 TSHEDIMOSETSO HOUSE					
C/O FRANCIS BAARD AND FESTIVAL STREET					
HATFIELD					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	NAMANE MAHLABA/ MPHONGAMASHI		CONTACT PERSON	Nicolette Prinsloo	
TELEPHONE NUMBER	012 473 0093/0194		TELEPHONE NUMBER	012 473 0203/ 0723352801	
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	namane@gcis.gov.za/mpho@gcis.gov.za/		E-MAIL ADDRESS	nicolette@gcis.gov.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] ☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT ☐ Yes ☐ No		[TICK APPLICABLE BOX] ☐ Yes ☐ No
[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]		
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				☐ YES ☐ NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				☐ YES ☐ NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				☐ YES ☐ NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?				☐ YES ☐ NO	

IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?

☐ YES ☐ NO

IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.

PART B TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.**
- 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
- 1.4. **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**

2. TAX COMPLIANCE REQUIREMENTS

- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
- 2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
- 2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
- 2.6 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
- 2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

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

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

(Proof of authority must be submitted e.g. company resolution)

DATE:

BID VALIDITY PERIOD: 120 DAYS

SBD 3.3
PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER:	BID NO.: ...RFB 012-2021/2022
CLOSING TIME 11:00	CLOSING DATE 02 MARCH 2022

OFFER TO BE VALID FOR 120 DAYS FROM THE CLOSING DATE OF BID.

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY *(ALL APPLICABLE TAXES INCLUDED)	
BID SPECIFICATIONS FOR THE APPOINTMENT OF A DISTRIBUTION SERVICE PROVIDER FOR ALL GCIS-PRODUCED PRODUCTS AND AD HOC WORK FOCUSING MORE TOWARDS THE NATIONAL, FORTNIGHTLY DISTRIBUTION OF THE GOVERNMENT NEWSPAPER, VUK'UZENZELE.			
1.	The accompanying information must be used for the formulation Of proposals.		
2.	Bidders are required to indicate a ceiling price based on the total Estimated time for completion of all phases and including all Expenses inclusive of all applicable taxes for the project.	R.....	
3.	PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)		
4.	PERSON AND POSITION	HOURLY RATE	DAILY RATE
	.....	R.....	.....
	.....	R.....	.....
	.....	R.....	.....
	.....	R.....	.....
	.....	R.....	.....
5.	PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT		
	.....	R.....	 days
	.....	R.....	 days
	.....	R.....	 days
	.....	R.....	 days
5.1	Travel expenses (specify, for example rate/km and total km, class Of air travel, etc.). Only actual costs are recoverable. Proof of the Expenses incurred must accompany certified invoices.		
	DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY AMOUNT
	.....	.....	..... R.....
	.....	.....	..... R.....
	.....	.....	..... R.....
	.....	.....	..... R.....
		TOTAL: R.....	

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

Name of Bidder:

- 5.2 Other expenses, for example accommodation (specify, e.g. three Star hotel, bed and breakfast, telephone cost, reproduction cost, Etc.). On basis of these particulars, certified invoices will be checked For correctness. Proof of the expenses must accompany invoices.

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

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

Any enquiries regarding bidding procedures may be directed to the –

GCIS
1035 Francis Baard Street
Hatfield

Namane Mahlaba/ Mpho Ramashi
Tel: 012 473 0093/0194

Or for technical information –
Nicolette Prinsloo
012 473 0203/ 0723352801

DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state¹, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-
 - the bidder is employed by the state; and/or
 - the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.
2. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**
 - 2.1 Full Name of bidder or his or her representative:
 - 2.2 Identity Number:
 - 2.3 Position occupied in the Company (director, trustee, shareholder²):
 - 2.4 Company Registration Number:
 - 2.5 Tax Reference Number:
 - 2.6 VAT Registration Number:
 - 2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / persal numbers must be indicated in paragraph 3 below.

¹"State" means –

- (a) any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (b) any municipality or municipal entity;
- (c) provincial legislature;
- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.

²"Shareholder" means a person who owns shares in the company and is actively involved in the management of the enterprise or business and exercises control over the enterprise.

2.7 Are you or any person connected with the bidder presently employed by the state? **YES / NO**

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member:

Name of state institution at which you or the person connected to the bidder is employed :

Position occupied in the state institution:

Any other particulars:

.....

.....

.....

2.7.2 If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector? **YES / NO**

2.7.2.1 If yes, did you attached proof of such authority to the bid document? **YES / NO**

(Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.

2.7.2.2 If no, furnish reasons for non-submission of such proof:

.....

.....

.....

2.8 Did you or your spouse, or any of the company's directors / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months? **YES / NO**

2.8.1 If so, furnish particulars:

.....

.....

.....

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

[illegible]

YES/NO

[illegible]

YES/NO

[illegible]

4 DECLARATION

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

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT.
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF
PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION
PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of bidder

May 2011

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all bids:

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

1.2

- a) The value of this bid is estimated to not exceed R50 000 000 (all applicable taxes included) and therefore the **80/20** Preference point system shall be applicable; or
- b) 80/20 preference point system will be applicable to this tender.

1.3 Points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contributor.

1.4 The maximum points for this bid are allocated as follows:

	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
Total points for Price and B-BBEE must not exceed	100

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

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

2. DEFINITIONS

- (a) **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **"B-BBEE status level of contributor"** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) **"bid"** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **"Broad-Based Black Economic Empowerment Act"** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **"EME"** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **"Functionality"** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **"prices"** includes all applicable taxes less all unconditional discounts;
- (h) **"proof of B-BBEE status level of contributor"** means:
 - 1) B-BBEE Status level certificate issued by an authorized body or person;
 - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
 - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **"QSE"** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **"rand value"** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

3.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

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

80/20

or

90/10

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

Where

P_s = Points scored for price of bid under consideration

P_t = Price of bid under consideration

$P_{\min}$ = Price of lowest acceptable bid

4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

- 4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

5. BID DECLARATION

- 5.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

- 6.1 B-BBEE Status Level of Contributor: =(maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

7. SUB-CONTRACTING

- 7.1 Will any portion of the contract be sub-contracted?

(Tick applicable box)

YES	☐	NO	☐
-----	--------------------------	----	--------------------------

- 7.1.1 If yes, indicate:

- What percentage of the contract will be subcontracted.....%
- The name of the sub-contractor.....
- The B-BBEE status level of the sub-contractor.....
- Whether the sub-contractor is an EME or QSE

(Tick applicable box)

YES	☐	NO	☐
-----	--------------------------	----	--------------------------

- v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations, 2017:

Designated Group: An EME or QSE which is at least 51% owned by:	EME ✓	QSE ✓
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		

Black people who are military veterans			
	OR		
Any EME			
Any QSE			

8. DECLARATION WITH REGARD TO COMPANY/FIRM

8.1 Name of company/firm:

8.2 VAT registration number:

8.3 Company registration number:

8.4 TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium

One person business/sole propriety

Close corporation

Company

(Pty) Limited

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

.....

.....

8.6 COMPANY CLASSIFICATION

Manufacturer

Supplier

Professional service provider

Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

8.7 Total number of years the company/firm has been in business:

8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we 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 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –

(a) disqualify the person from the bidding process;

- (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
- (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
- (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *Audi alteram partem* (hear the other side) rule has been applied; and
- (e) Forward the matter for criminal prosecution.

WITNESSES

1.

2.

SIGNATURE(S) OF BIDDERS(S)
DATE:

ADDRESS

.....

.....

CONTRACT FORM - RENDERING OF SERVICES

THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SERVICE PROVIDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SERVICE PROVIDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.

PART 1 (TO BE FILLED IN BY THE SERVICE PROVIDER)

1. I hereby undertake to render services described in the attached bidding documents to (name of the institution)..... in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid .
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (i) Request for Quotation documents, viz
 - Invitation to quote
 - Tax clearance certificate
 - Pricing schedule(s)
 - Filled in task directive/proposal
 - Preference Certificates in terms of the Preferential Procurement Regulations 2001
 - Declaration of interest
 - Special Conditions of Contract;
 - (ii) General Conditions of Contract; and
 - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM

DATE

WITNESSES

1

2

DATE:

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Standard Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by institutions in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be disregarded if that bidder, or any of its directors have-
 - a. abused the institution's supply chain management system;
 - b. committed fraud or any other improper conduct in relation to such system; or
 - c. failed to perform on any previous contract.
- 4 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's database as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the <i>audi alteram partem</i> rule was applied).	Yes ☐	No ☐
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? To access this Register enter the National Treasury's website, www.treasury.gov.za , click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 3265445.	Yes ☐	No ☐
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?	Yes ☐	No ☐
4.3.1	If so, furnish particulars:		
4.4	Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes ☐	No ☐
4.4.1	If so, furnish particulars:		

CERTIFICATION

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

Js365bW

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Standard Bidding Document (SBD) must form part of all bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
 - a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
 - b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
- 4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Institution)

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

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

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

³ 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.

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

Js914w 2

GOVERNMENT COMMUNICATION & INFORMATION SYSTEM

BID CHECK LIST

Have you submitted CSD report? Mandatory requirements on CSD must be compliant (Tax, Banking details, In business, not restricted) In case of consortium, have all parties to the consortium/joint venture submitted their CSD report?	YES	NO
Have you submitted original EME sworn affidavit signed by commissioner of oath? Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof	YES	NO
Is the SBD 6.1 form signed by the duly authorized person? (Failure to sign the SBD 6.1 will result in the invalidation of your bid)	YES	NO
Are the following forms completed and/or signed? Failure to do so will result in the invalidation of your bid 1. SBD 1 2. SBD 3.3 3. SBD 4 4. SBD 6.1 5. SBD 7.2 6. SBD 8 7. SBD 9 8. GCC	YES	NO

.....
Signature

.....
Date:

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.

TABLE OF CLAUSES

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

General Conditions of Contract

1. Definitions

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

RSA.

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

obligations of the supplier covered under the contract.

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

2. Application

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

3. General

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

4. Standards

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

5. Use of contract documents and information; inspection.

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

6. Patent rights

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

7. Performance security

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

8. Inspections, tests and analyses

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

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

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

9. Packing

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

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

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

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

14. Spare parts

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

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

15. Warranty

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

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

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

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

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

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

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

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

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

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

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

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

may be due to him

25. Force Majeure

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

26. Termination for insolvency

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

27. Settlement of Disputes

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

28. Limitation of liability

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

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

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