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SOUTH AFRICAN SOCIAL SECURITY AGENCY

SASSA: 37-22-FIN-KZN

INVITATION TO BID

SASSA: 37-22-FIN: KZN: APPOINTMENT OF A SERVICE PROVIDER FOR DEBT COLLECTION SERVICES ON BEHALF OF SOUTH AFRICAN SOCIAL SECURITY AGENCY [SASSA] FOR KWAZULU NATAL REGIONAL OFFICE FOR A PERIOD OF 36 MONTHS

Non-compulsory VIRTUAL briefing session will be held on Friday, 25 November 2022 from 10:00 to 12:00 to provide clarity pertaining this project. Bidders are required to send their email addresses to kznquotation@sassa.gov.za not later than 12:00 on Wednesday, 23 November 2022 for the link to be sent to all prospective bidders who submitted their email addresses.

PROPOSALS MUST BE DEPOSITED IN THE BID BOX SITUATED AT:

: SASSA KwaZulu Natal Regional Office
Reception area (Ground Floor)
NO.1 Bank Street
Pietermaritzburg
3201

PUBLICATION DATE: 17 November 2022

CLOSING DATE : 09 December 2022

TIME : 11:00

TECHNICAL ENQUIRIES : Ms Nomalanga Mnyandu
CONTACT NUMBER : **012 400 2558**
EMAIL ADDRESS : **nomalangan@sassa.gov.za**

SUPPLY CHAIN MANANAGEMENT ENQUIRIES CAN BE DIRECTED TO:

CONTACT PERSON : Mr Lucky Shandu
CONTACT NUMBER: 033 846 9532
EMAIL ADDRESS : luckyGS@sassa.gov.za

Stamp Out Social Grants Fraud and Corruption
Call 0800 60 10 11/ 0800 701 701

PART A
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (*NAME OF DEPARTMENT/ PUBLIC ENTITY*)					
BID NUMBER:	**SASSA: 37-22-FIN: KZN**	CLOSING DATE:	09 DEC EMBER 2022	CLOSING TIME:	**11:00**
DESCRIPTION	**THE APPOINTMENT OF A SERVICE PROVIDER FOR DEBT COLLECTION SERVICES ON BEHALF OF SOUTH AFRICAN SOCIAL SECURITY AGENCY (SASSA) FOR KWAZULU NATAL REGIONAL OFFICE FOR A PERIOD OF 36 MONTHS**				

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT *(STREET ADDRESS)*

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO		TECHNICAL ENQUIRIES MAY BE DIRECTED TO:	
CONTACT PERSON	**Lucky Shandu**	CONTACT PERSON	**Nomalanga Mnyandu**
TELEPHONE NUMBER	**033 846 9532**	TELEPHONE NUMBER	**012 400 2558**
FACSIMILE NUMBER	**N/A**	FACSIMILE NUMBER	**N/A**
E-MAIL ADDRESS	**luckyGS@sassa.gov.za**	E-MAIL ADDRESS	**nomalangam@sassa.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	[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: ………………………………………………

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Annexure A

SBD 3.1

PRICING SCHEDULE – FIRM PRICES (PURCHASES)

NOTE: **ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED**

IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT

Name of bidder:	Bid number **SASSA: 37-22-FIN: KZN**
Closing Time: 11:00 AM	Date: **09 DECEMBER 2022**

OFFER TO BE VALID FOR 90 DAYS FROM THE CLOSING DATE OF BID.

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY (INCLUDING VAT)
....	....	....	....

- Required by: ....
- At: ....
- Brand and model ....
- Country of origin ....
- Does offer comply with specification? *YES/NO
- If not to specification, indicate deviation(s) ....
- Period required for delivery .... *Delivery: Firm/not firm
- Delivery basis (all delivery costs must be included in the bid price) ....

Note: All delivery costs must be included in the bid price, for delivery at the prescribed destination.

***Delete if not applicable**

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STANDARD BIDDING DOCUMENT (SBD) 4

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. BIDDER'S DECLARATION

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest[1] in the enterprise, employed by the state? **YES / NO**

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

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

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STANDARD BIDDING DOCUMENT (SBD) 4

Full Name	Identity Number	Name of State institution

STANDARD BIDDING DOCUMENT (SBD) 4

2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

………………………………………………………………………………………

………………………………………………………………………………………

………………………………………………………………………………………

………………………………………………………………………………………

………………………………………………………………………………………

………………………………………………………………………………………

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

2.3.1 If so, furnish particulars:

………………………………………………………………………………………

………………………………………………………………………………………

………………………………………………………………………………………

………………………………………………………………………………………

………………………………………………………………………………………

3. DECLARATION

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

3.1 I have read and I understand the contents of this disclosure;

3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;

STANDARD BIDDING DOCUMENT (SBD) 4

3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium2 will not be construed as collusive bidding.

3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.

3.5 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.

3.6 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

3.7 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

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

investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

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

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

…………………………………	………………………………………………
Signature	Date
…………………………………	………………………………………………
Position	Name of bidder

PREFERENCE POINTS CLAIM FORM

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 ACT.

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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 exceed/not exceed R50 000 000 (all applicable taxes included) and therefore the **80/20 / OR 90/10**... preference point system shall be applicable; or

b) The **80/20 / OR 90/10** 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	80/90
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20/10
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.

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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) **"price"** 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**

$$Ps = 80\left(1 - \frac{Pt - P\,min}{P\,min}\right) \quad \text{or} \quad Ps = 90\left(1 - \frac{Pt - P\,min}{P\,min}\right)$$

Where

Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

Pmin = Price of lowest acceptable bid

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3.2 **DISPOSAL OF STATE ASSETS AND INCOME-GENERATING PROCUREMENT**

3.3 **POINTS AWARDED FOR PRICE**

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

80/20 **or** **90/10**

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

Where

Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

Pmax = Price of highest acceptable bid

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

4.1 In terms of paragraphs 5.2 and 6.2 of the Addendum to the SASSA Supply Chain Management Policy, 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 3.1

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

(Points claimed in respect of paragraph 6.1 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.

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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:

i) What percentage of the contract will be subcontracted..%
ii) The name of the sub-contractor...
iii) The B-BBEE status level of the sub-contractor...
iv) Whether the sub-contractor is an EME or QSE
(Tick applicable box)

YES		NO	

v) Specify, by ticking the appropriate box, if sub-contracting with an enterprise in terms of the SASSA's Terms of Reference (TOR) or Specification:

Designated Group: An EME or QSE which is at last 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

....
....
....
....

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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.	.... SIGNATURE(S) OF BIDDERS(S)
2.	DATE: ....
	ADDRESS ....
	....
	....

Stamp out social grants fraud and corruption
Call 0800 60 10 11 / 0800 701 701

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

General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:

1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.

1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.

1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.

1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.

1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.

1.7 "Day" means calendar day.

1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.

1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.

1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.

1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

1.14 "GCC" means the General Conditions of Contract.

1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.

1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.

1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.

1.20 "Project site," where applicable, means the place indicated in bidding documents.

1.21 "Purchaser" means the organization purchasing the goods.

1.22 "Republic" means the Republic of South Africa.

1.23 "SCC" means the Special Conditions of Contract.

1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.

1.25 "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

2. Application

2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.

2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.

3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

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

5. Use of contract documents and information; inspection.

5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.

5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.

5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights

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

7. Performance security

7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.

7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

(a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or

(b) a cashier's or certified cheque

7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Inspections, tests and analyses

8.1 All pre-bidding testing will be for the account of the bidder.

8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.

8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.

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

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

9. Packing

9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

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

10.2 Documents to be submitted by the supplier are specified in SCC.

11. Insurance

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

12. Transportation

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

13. Incidental services

13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:

(a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
(b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

(d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

(e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

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

14. Spare parts

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

(a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and

(b) in the event of termination of production of the spare parts:

(i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and

(ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

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

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

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

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

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. Payment

16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.

16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.

16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.

16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices

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

18. Contract amendments

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

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier's performance

21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.

21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.

21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

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

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

22. Penalties

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

23. Termination for default

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

(a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;

(b) if the Supplier fails to perform any other obligation(s) under the contract; or

(c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

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

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

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

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

25. Force Majeure

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for insolvency

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

27. Settlement of Disputes

27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

27.5 Notwithstanding any reference to mediation and/or court proceedings herein,

(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
(b) the purchaser shall pay the supplier any monies due the supplier.

28. Limitation of liability

28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;

(a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

29. Governing language

29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

30. Applicable law

30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.

31. Notices

31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice

31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

32. Taxes and duties

32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

33. National Industrial Participation (NIP) Programme

33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.

34 Prohibition of Restrictive practices

34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).

34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

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

Js General Conditions of Contract (revised July 2010)

SOUTH AFRICAN SOCIAL SECURITY AGENCY

TERMS OF REFERENCE
THE APPOINTMENT OF A SERVICE PROVIDER FOR DEBT COLLECTION SERVICES ON BEHALF OF SOUTH AFRICAN SOCIAL SECURITY AGENCY (SASSA) FOR KWAZULU NATAL REGIONAL OFFICE FOR A PERIOD OF 36 MONTHS

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ACRONYMS

1.	B-BBEE	:	Broad Based Black Economic Empowerment
2.	CSD	:	Central Suppliers Database
3.	CIPC	:	Companies and Intellectual Property Commission
4.	DSD	:	Department of Social Development
5.	EMEs	:	Emerging Micro Enterprises
6.	GCC	:	General Conditions of Contract
7.	QSE	:	Qualifying Small Enterprise
8.	KZN	:	Kwa-Zulu Natal
9.	SAA	:	Social Assistance Act
10.	SABS	:	South African Bureau of Standards
11.	SANAS	:	South African National Accreditation System
12.	SANS	:	South African National Standards
13.	SAPS	:	South African Police Services
14.	SASSA	:	South African Social Security Agency
15.	SBD	:	Standard Bidding Documents
16.	SCC	:	Special Conditions of Contract
17.	VAT	:	Value Added Tax

1. INTRODUCTION

1.1. The South African Social Security Agency (SASSA/Agency) has been established in terms of the South African Social Security Agency Act, 2004 (Act No.9 of 2004). The Agency is responsible for the management, administration and payment of social assistance (social grant).

1.2. The Agency is a national Agency of government (comprised of Head Office located in Gauteng Province [Pretoria], and 9 Regional offices, KwaZulu Natal Province is located in Pietermaritzburg, statutorily mandated to administer and pay the following social grants:

a) Old Age Grant;

b) Grant in Aid;

c) War Veteran Grant;

d) Disability Grant;

e) Child Support Grant

f) Care Dependency Grant;

g) Foster Child Grant

h) Social Relief of Distress and

i) Child Support Grant Top-up

1.3. SASSA KZN Regional office is responsible for social grant debt emanating from 1.2 (a-i) portfolio above and the staff debt portfolio and these portfolios are managed by the General Manager Finance.

1.4. The staff debt book and third party debt book portfolios are managed at the SASSA KZN Regional Office. These types of debts include, *inter alia*, the following:

a) Supplier overpayments;

b) Motor accident;

c) Salary overpayment;

d) Contravention of bursary or study aid policy or contracts;

e) Private telephone and Cell phone; and

f) Theft & losses.

2. PURPOSE

2.1. To appoint a service provider to constantly manage, collect or recover all outstanding debts due to the Agency in accordance with, *inter alia*, the terms incorporated herein as well as applicable prescripts for the duration of 36 months.

3. BACKGROUND

3.1. In the execution of its mandate, the Agency experiences challenges giving rise to debts owed to the Agency by either social grant beneficiaries, recipients, or employees of the Agency.

3.2. These challenges relate to instances where a beneficiary's financial status (which made him eligible to receive social grant) changes or improves thereby rendering him or her not eligible to receive a social grant. Irrespective of any such change in the beneficiary's financial status, he or she continues to receive a social grant resulting in such a payment of social grant to that beneficiary regarded as an overpayment.

3.3. It is upon such instance that the beneficiary will become liable to repay the social grant money (overpayment) received; and therefore be identified as a debtor.

3.4. There are also instances where, due to various circumstances (i.e. non-compliance with study aid contracts, overpayment of salaries and so forth) that SASSA is responsible to recover monies from its current or former employees.

3.5. The continuous increase of the Agency's debt book as well as the audit findings in relation to the social assistance (social grants) funds have necessitated the need for an immediate action to ensure the effective and efficient management of social assistance debts and staff (employees) debts to avoid any negative audit outcomes for both the Department of Social Development (DSD) and the Agency.

3.6. SASSA has, in terms of the Public Finance Management Act, (Act No. 1 of 1999); Social Assistance Debt Policy; the South African Social Security Agency Staff Debt Policy; and other applicable prescripts a responsibility to manage and collect or recover all debts.

3.7. SASSA has identified two major challenges, namely; wrong and outdated debtors` addresses as well as the incorrect financial status of the debtor. These major challenges disadvantage SASSA in effectively and efficiently in the management, collection or recovery of the debts. Therefore, SASSA seeks to appoint a service provider that will constantly manage, collect or recover all outstanding debts due.

3.8. The total debt book as at 31 March 2022, for social grant debts is approximately **R547 463 926.05** Hereunder is a table depicting the debt book per category in KZN Regional office.

CATEGORIES	TOTAL
KZN 1	R182 487 983,62
KZN 2	R182 487 970,35
KZN 3	R182 487 972,08

4. DELIVERABLES

4.1. The bidder must have the ability to deliver the following services:

a) Trace, collect and recover any outstanding amounts from the debtors as per SASSA instructions, and the defaulting debtors will be blacklisted with any registered credit bureau, however the debt collectors must ensure that the applicable processes are followed, and above all, debtors are notified of the intention to blacklist them.

b) Adhere and comply with all applicable legislation, including the SASSA Policies and DSD Policies when collecting or recovering the debts.

c) Record settlement arrangements made by the debtor and inform SASSA

d) Inform SASSA to update information regarding the debtor's particulars (e.g. postal, physical addresses; contact details and so forth);

e) Inform SASSA of any information relating to the debtor; which has come to the attention of the service provider;

f) SASSA database debtors' information provided to Bidders is for no other purpose, whatsoever except to collect, any outstanding monies on behalf of SASSA and should remain confidential at all times.

g) Follow up and collect from the targeted group (namely; public servants; social grant recipients or beneficiaries or other debtors as per SASSA`s instructions issued from time to time).

h) A Formal service level agreement (SLA) will be signed by both parties upon the award of contract.

4.2. The expected output or outcome from the rendering of the above services is the increase in the number of debt collected.

5. REPORTING REQUIREMENTS

5.1. The successful bidder will be required to report to the following officials:

a) For operations: Senior Manager: Financial Accounting SASSA KZN Regional Office.

b) For the implementation of the project: General Manager: Finance at the SASSA KZN Regional Office and in accordance with the project plan.

5.2. The successful bidder will report as per SASSA KZN Regional Office requirements (which shall be in electronic format - excel or any data source report).

5.3. The expected report shall be submitted to SASSA KZN Regional office on a monthly basis, and shall contain, *inter alia*, the following:

a) The list of debtors that have paid into SASSA bank accounts.

b) Debtors with arrangements as per the SASSA and DSD policies.

c) Debtors requesting arrangements outside the approved policies.

d) Debtors with once–off payment arrangement.

e) Debtors not found/untraceable.

f) Debtors who are deceased.

g) Monthly detailed reconciliation of a debt book

h) Any other information that is relevant and available.

6. SKILLS AND EXPERIENCE

6.1. The bidder must have extensive experience in rendering services of a similar nature.

6.2. **The bidder must demonstrate the availability of the skilled resources (experience, qualifications and professional registration). In this regard, the bidder must cover the following aspects:**

a) Trained staff on debt collection management

b) Understanding of applicable legislation (debt collection related) and government policies (in particular DSD and SASSA debt policies);

c) Accounts and project management abilities,

d) Accessible customer service facility that will be managed by the professionally trained staff.

6.3 Project Manager

a) Knowledge and understanding of debt management and collection strategies.

b) Knowledge and understanding of accounting principles.

6.4 Project Plan / Methodology

a) Detailed Project plan with final outputs and identified timeframes.

b) Understanding of the project at hand and submission of the project plan based on the methodology

7. SASSA shall:

a) Provide KZN debt book database

b) Pay a commission fee on monthly basis (Commission fee workings)

c) Reconcile the debtors listing from the service provider on monthly basis

8. BID CONDITIONS

a) Any misrepresentation of information will lead to disqualification of the bid.

b) Copy of a certified copy will not be acceptable (certified copies must not be more than six (6) months old).

c) The Agency reserves the right to award a bid based on the best value for money, even if such a bid is not the lowest price.

d) The Agency reserves the right to cancel or not to award the bid to any service provider with no cost implications.

e) The Agency reserves the right to appoint one (1) or more service providers or not to appoint any service provider at all.

f) The Agency reserves the right to award the bid in completely or only partially.

g) The Agency will not be held responsible for any costs incurred by the bidder in the preparation, presentation and submission of the bid.

h) Prospective service provider/s shall have to treat all available data provided by the Agency in the process as strictly confidential. Such data remains the property of the Agency.

i) The price must be all-inclusive of variable costs including travelling and accommodation, and any other related costs.

j) Any patents or copyright developed from this project will belong to the Agency.

k) The Agency may conduct site visits and reference check to verify the information provided.

l) Obtained information shall be used for no other purpose, whatsoever except to collect, any outstanding monies on behalf of SASSA, as it may be required regarding the debtor.

9. LATE SUBMISSION

9.1 Bids received at the address indicated in the bid documents, after the closing date and time, will not be accepted for consideration.

10. EVALUATION OF THE BID

The evaluation shall be conducted as follows:

- **STAGE 1: Special Condition & Functionality Evaluation**

  Phase One: Special Condition

  Phase Two: Functionality Criteria

- **STAGE 2: Administrative Compliance and Price & BBBEE points**

  Phase One: Administrative Compliance Price

  Phase Two: Price and Preference Points

10.1 STAGE 1: Special Condition & Functionality Evaluation

10.1.1 Phase One: Special Condition

Failure to meet the following special condition will result in the disqualification of the bid.

a) Bidder to fully complete and submit Annexure A. Bidder to submit reference letters from companies where the work was successfully executed **stating contract period, nature of service, recovery rate etc.** in support of the information provided in Annexure A.

b) Bidder to have successfully completed accumulative contracts to the value not less than R1 000 000 in the field of debt collection within the last 5 years of the closing date of the bid.

c) Bidders must quote for all categories (KZN1, KZN2 and KZN3) on paragraph 11.2.

10.1.2 Phase Two: Functionality criteria

a) The bidder will be evaluated for functionality (listed in the table below) as stipulated in these Terms of Reference.

b) A bidder that scores less than **70** points out of **100** in respect of functionality will be regarded as submitting a non-responsive proposal and will be disqualified.

c) Only the bidder scoring a minimum of 70 points for functionality will proceed to be further evaluated on Stage Two.

d) Bidders will be evaluated in terms of the following values:

1- Very Poor, 2 Poor, 3-Good, 4- Very Good, 5 – Excellent

EVALUATION CRITERIA	WEIGHT
Experience in the Debtor collection industry	**100**

A. Capability and Experience

Bidders must provide:	
Company profile detailing their Organizational structure, national footprint and infrastructure to render services and the bidder's background and expertise on the services.	**10**

Bidder to have successfully completed accumulative contracts to the value not less than R1 000 000 in the field of debt collection within the last 5 years of the closing date of the bid.

Value of Contracts	Score	
R1 000 000	1	
Above R1 000 000 – R2 000 000	2	
Above R2 000 000 – R3 000 000	3	**30**
Above R3 000 000 – R4 000 000	4	
Above R4 000 000	5	

Debt Book and Recovery rate

The information supplied on the reference letter will be used to evaluate the rate of recovery

Bidders must indicate the average recovery rate achieved	Score	
0%-20%	1	
Above 20% - 40%	2	**30**
Above 40% - 60%	3	
Above 60% - 80%	4	
Above 80%	5	

EVALUATION CRITERIA	WEIGHT
Project Manager The bidder must provide a dedicated Project Manager who will attend to regular contract review meetings with the Agency. The bidder to provide a CV of the Project Manager indicating the experience in debt collection:	

The bidder to provide a CV of the Project Manager indicating the work experience in debt collection:	**Score**	
0 to 1 years	1	**10**
Above 1 year to 2 years	2	
Above 2 years to 3 years	3	
Above 3 years to 4 years	4	
Above 4 years	5	

Infrastructure	
a) Bidder to provide information that demonstrates availability of an IT infrastructure. (Server room, storage facility, laptops/ computers & printers) b) Detail the type of the system and its availability, the type and sample of the template for the report generated. c) Verify existence of the premise/s /office in South Africa **NB: Bidders to submit proof of office ownership (Municipal Rates Account). In terms of leasing, the Bidder to submit the lease agreement signed by both the lessor and lessee.**	**10**

EVALUATION CRITERIA	WEIGHT
Collection Process a) Bidder to demonstrate how the collection process will be conducted in ensuring that debt is collected efficiently and ethically. Explain the process from beginning to end. b) Bidder to provide any value added services and/or local economic development initiatives as a competitive advantage. (c) Identify possible recovery challenges/risks, the impact of the risk, the likelihood of the risk and the risk magnitude. Explain how the risk will be mitigated and monitored. **NB: Detailed Project Plan must be included as part of collection process**	**10**

10. 2 STAGE TWO: ADMINISTRATIVE COMPLIANCE PRICE & PREFERENTIAL POINTS

10. 2.1 Phase One: Administrative Compliance

In order to simplify the evaluation process, bidders are required to submit their bids in the following manner: -

Administrative Requirement
Standard bidding documents SBD 3.1, 4, 6.1 fully completed and signed
Debt Council Registration certificate
Proof of registration with National Treasury Central Supplier Database
Tax compliance status PIN.
Certified ID copies for company directors
BBBEE certificate or Sworn Affidavit
NB: The validity period of all certified copies of documents must not exceed six (6) months. **Failure to submit the above documents may lead to disqualification of the bid.**

10.2.2 Price and preference point

This bid will be evaluated in terms of 80/20 or 90/10 preference point system.

Price and Preference	**100**	**100**
Price	**80**	**90**
BBBEE Status level of contributor	**20**	**10**

(a) Points awarded for BBBEE Status level of contribution will be evaluated for preference as follows:

(b) In terms of Regulation 5(2) and 6(2) of the Preferential Procurement Regulations, preference points must be awarded to a service provider for attaining the BBBEE status level of contribution in accordance with the table below:

BBBEE Status level of Contributor	**Number of Points (80/20 system)**	**Number of Points (90/10 system)**
1	**20**	**10**
2	**18**	**9**
3	**14**	**6**
4	**12**	**5**
5	**8**	**4**
6	**6**	**3**
7	**4**	**2**
8	**2**	**1**
Non-compliant contributor	**0**	**0**

(c) Bidders are required to submit proof of B-BBEE Status level of contributors. Proof includes valid B-BBEE Status Level Verification Certificates or certified copies thereof together with their bids or price quotations, to substantiate their B-BBEE rating claims.

(d) Bidders who do not submit B-BBEE Status Level Verification Certificates or who are non-compliant contributors to B-BBEE do not qualify for preference points for B-BBEE but will not be disqualified from the bidding process. They will score points out of 80 for price only and zero (0) points out of 20 for B-BBEE.

(e) Bidders must ensure that the B-BBEE Status Level Verification Certificates submitted are issued by the following agencies:

i. **Bidders other than EMEs or QSE**

- Verification agencies accredited by SANAS; or

ii. Bidders who qualify as EMEs or QSE

- Sworn affidavit signed by the EME representative and attested by a Commissioner of oaths.

NB: Certificates issued by IRBA and Accounting Officers have been discontinued and bidder(s) who submit such certificate(s) will be considered invalid certificate and points for B-BBBEE level of contribution will not be awarded.

11. PROJECT COST/PRICE

11.1 Project Cost

a) The bidder must provide price proposal for the duration of the contract.

b) Cost must be VAT inclusive and quoted in South African Rand for VAT registered companies.

c) All costs (direct and indirect costs) will form part of the commission rate.

d) Evaluation will be based on the commission percentage (%) costs of the value per category.

11.2 Pricing Schedule in percentage

CATEGORIES	DEBTORS' BOOK VALUES	COMMISION PERCENTAGE (%)	COLLECTION VALUE
KZN 1	R182 487 983,62		
KZN 2	R182 487 970,35		
KZN 3	R182 487 972,08		

12. METHOD OF PAYMENT / REMUNERATION OF THE SUCCESSFUL BIDDER

a) Monthly billing as per the agreed commission percentage (%) on the total collected as per SASSA instructions.

13. BRIEFING SESSIONS

There will be **NO PHYSICAL BRIEFING SESION**,

Non-compulsory VIRTUAL briefing session will be hell on **Friday, 25 November 2022 from 10:00 to 12:00** to provide clarity pertaining this project. Bidders are required to send their email addresses to kznquotation@sassa.gov.za not later than 12:00 on Wednesday, 23 November 2022 for the link to be sent to all prospective bidders who submitted their email addresses.

14. ENQUIRIES

The following officials can be contacted in respect of bid enquiries, from the date of advert until **Friday, 25 November 2022**.

Enquiries should be directed to the following officials:

Name and Surname	Designation	Email	Contact	Physical Address
Nomalanga Mnyandu	Technical	nomalangan@sassa.gov.za	012 400 2558	1 Bank Street; Pietermaritzburg 3201
Lucky Shandu	Supply Chain Management	luckyGS@sassa.gov.za	033 846 9532	1 Bank Street; Pietermaritzburg 3201

15. SUBMISSION OF BID DOCUMENTS

Bid documents will be submitted/deposited at the tender box that is at the foyer of the building situated at the following address:

SASSA KwaZulu Natal Regional Office

Reception area (Ground Floor)

NO.1 Bank Street

Pietermaritzburg

3201

ANNEXURE A

NB: SASSA shall verify the contents of this list directly with the bidders' clients. Bidders are required to complete this table in full.

TABLE OF EXPERIENCE

<u>CURRENT AND PREVIOUS CONTRACTS (CLIENT BASE)</u>

A list of current and previous contracts not older than five (5) years, accompanied by referral letters, which are relevant to the service required in the bid specifications must be attached to the bid proposal. This template must be used and must be completed in full. **Failure to complete the table correctly shall invalidate the bid.**

Indicate all the current and previous contracts accompanied by referral letters, which should be from the clients indicated in the table below and **ONLY** those relevant to services required in the bid specifications.

Name of client / organization where services of similar nature has been rendered/implemented	**Contract period (indicate start and end dates)** e.g. 1 April 2013 to 31 March 2016	**Nature of services rendered (e.g. Debt collection)**	**Contract Amount of service rendered**	**Contact persons and telephone numbers of your client**

Name of client / organization where services of similar nature has been rendered/implemented	**Contract period (indicate start and end dates)** e.g. 1 April 2013 to 31 March 2016	**Nature of services rendered (e.g. Debt collection)**	**Contract Amount of service rendered**	**Contact persons and telephone numbers of your client**