



BID NUMBER: LTA001-22/23
PROVISION OF THE INTERNAL AUDIT SERVICES FOR A PERIOD OF THREE (3) YEARS

The following conditions will apply:

- 1) Price offer to be valid for 120 days from the closing date of the bid.
- 2) Price(s) quoted must be firm and inclusive of VAT.
- 3) The bid will be evaluated in terms of the 80/20 preference point system as prescribed in the Preferential Procurement Regulations (2017) and for this purpose the enclosed forms SBD 1, SBD 3.1, SBD 4, & SBD 6.1, must be scrutinized, completed and submitted together with your bid.
- 4) The successful bidder will be the one scoring the highest points in terms of the Preferential Procurement Regulations (2017)

<p>ISSUED BY:</p> <p>THE CHIEF EXECUTIVE OFFICER LIMPOPO TOURISM AGENCY P.O. BOX 2814 POLOKWANE 0700</p> <p>Tel: (015) 293 3600 Fax: (015) 293 3651</p>	<p>CONTACT PERSON(S)</p> <p>MR. PETER MAILA / MR. PHUSETSI MALOTHANE</p> <p>Tel: 071 428 8767 / 072 906 4921</p> <p>E-mail: peterm@golimpopo.com / phusetsim@golimpopo.com</p>
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Name of Bidder: _____

BID AMOUNT: R _____

BID AMOUNT IN WORDS: _____

NO BRIEFING SESSION	CLOSING DATE: 31 JANUARY 2023 TIME: 11H00
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“PART A”

INVITATION TO BID

SDB 1

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE LIMPOPO TOURISM AGENCY					
BID NUMBER:	LTA001-22/23	CLOSING DATE:	31 JANUARY 2023	CLOSING TIME:	11H00
DESCRIPTION	PROVISION OF THE INTERNAL AUDIT SERVICES FOR A PERIOD OF THREE (3) YEARS				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
ERF 92/688 PORTION 2					
SOUTHERN GATEWAY EXT 4					
N1 MAIN ROAD					
POLOKWANE					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	MR. PHUSETSI MALOTHANE		CONTACT PERSON	MR PEETR MAILA	
TELEPHONE NUMBER	072 906 4921		TELEPHONE NUMBER	071 428 8767	
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	phusetsim@golimpopo.com		E-MAIL ADDRESS	peterm@golimpopo.com	
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] <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> 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]					
1. ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		2. ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]	
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? <input type="checkbox"/> YES <input type="checkbox"/> NO					

DOES THE ENTITY HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	<input type="checkbox"/> YES <input type="checkbox"/> 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:
<p>1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.</p> <p>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.</p> <p>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.</p> <p>1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</p>
2. TAX COMPLIANCE REQUIREMENTS
<p>2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p> <p>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.</p> <p>2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.</p> <p>2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.</p> <p>2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.</p> <p>2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.</p> <p>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."</p>

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:
.....

“FORM I”



TERMS OF REFERENCE

PROVISION OF THE INTERNAL AUDIT SERVICES FOR A PERIOD OF THREE (3) YEARS

1. INTRODUCTION

Limpopo Tourism Agency is a schedule 3C PFMA entity established in terms of Section 5 of the Limpopo Tourism Act of 2009, as repealed, to amongst others promote and offer a sustainable and diverse tourism experience through strategic marketing (destination marketing) and support and facilitate tourism development programmes, collaborations with stakeholders and sector transformation.

According to section 51 of the PFMA an accounting authority for a public entity must ensure that the public entity has and maintains a system of internal audit under the control and direction of Risk and Audit Committee complying with and operating in accordance with the regulations and instructions prescribed in terms of sections 76 and 77 of the Act (PFMA).

2. BACKGROUND

The Internal Audit function provides objective and independent assurance to management and the Risk and Audit Committee on the adequacy and effectiveness of the internal controls, risk management and governance process within Limpopo Tourism Agency. In pursuing this activity, the Internal Audit Unit is guided by a fully functional Audit and Risk Committee.

3. OBJECTIVE

The objective of the internal audit is to assess the adequacy and effectiveness of internal controls within the various Business Unit processes.

4. SCOPE OF WORK

Internal Audit services on the following:

4.1 **Assurance Services** - Assurance services consist of independent reviews on the adequacy of the risk management, internal control and governance processes of the entity. Independent reviews include a continuous review of compliance, by management and staff, to relevant legislation, regulations, approved policies and procedures and best industry practices, where applicable.

Nature of audits undertaken by internal audit includes:

- i. **Regular Audits** - These are risk-based audits, they deal with the assessment of the adequacy and effectiveness of internal controls.
- ii. **Compliance Reviews** - These reviews assess the extent to which policies, procedures and processes comply with legislative requirements. They assess compliance to legislative requirements.
- iii. **Performance Audits** - These are audits of performance information.
- iv. **IT Audits** - These are general controls, application controls and information security reviews.
- v. **Review of Annual Financial Statements** - Review of financial statements to ensure accuracy, completeness and compliance with relevant standards and regulations.

4.2 **Consulting Services** - Consulting services are advisory in nature and are intended to add value and improve operations.

4.3 Preparation and implementation of annual and rolling three-year strategic Internal Audit Plan based on its risk assessment of key areas of risks for the entity, having regard to its current operations, the operations proposed in its corporate or strategic plan and its risk management strategy.

4.4 Development of Internal Audit Charter

4.5 Planning, executing, and reporting on allocated projects.

4.6 Performing ad-hoc internal audit including special investigation and control management as authorised by executive management.

4.7 Reports to Executive Management, the Risk and Audit committee detailing its performance against the plan, to allow effective and intervention when necessary.

4.8 Preparing reports for timely and continuous submission to executive management, including the progress against approved plan and summary of significant findings.

5. LIMPOPO TOURISM AGENCY BOARD'S ROLE

Limpopo Tourism Agency Board together with Risk and Audit Committee will be responsible for annually reviewing the effectiveness of the Internal Audit and align this with the relevant legislation that might come into operation.

The Limpopo Tourism Agency Board undertakes to:

- 5.1 provide all the information/documentation necessary for the performance of effective and efficient internal audit service;
- 5.2 Provide logistical support in terms of office space and other resources deemed necessary to execute the internal audit service.

6. SPECIAL CONDITIONS

- 6.1 The period of the contract will be for a period of three (3) years.
- 6.2 The Internal Auditors appointed will be bound to the Code of Conduct and Confidentiality as per the IIA Standards and Limpopo Tourism Agency policies in the course of their duties.
- 6.3 The Limpopo Tourism Agency reserves the right to reject any proposal/bid to be found to be inadequate or non-complaint to the Terms of Reference.
- 6.4 The successful bidder must sign a Service Level Agreement (SLA) with the Chief Executive Officer or his/her delegate and reporting on the progress and completion of the contract will be made to the Risk and Audit Committee.
- 6.5 The bidder may not intent to assign, in whole or in part, any of its obligations to perform in terms of the contract to any third party, unless the Chief Executive Officer or his/her delegate has prior to the assignment, consented in writing to the assignment.
- 6.6 The bidder may not intend to cede his right to payment in terms of a contract to a third party without the prior written consent of the Chief Executive Officer. A bidder may not by means of cession, cede any obligations to perform in terms of a contract to any third party.
- 6.7 All audits are to be carried out according to the approved Internal Audit Coverage Plan by the Risk and Audit Committee.

7. COMPETENCE REQUIREMENTS OF INTERNAL AUDIT SERVICE

The bidder should meet the following competency requirements:

- 7.1 Be competent in the professional practice of internal auditing;
- 7.2 Be well vested in the best practices of the of the internal audit profession.
- 7.3 Have staff complement that is certified as CIA, CA or CISA

- 7.4 The total of staff complements needed is five (5), comprises of 1x Director, 1x Manager, 2x Risk based Internal Auditors and 1x Internal Audit Specialists (IT).
- 7.5 Have members on the team who have/possesses at least five (5) years of experience in the practice of internal auditing at executive management level; and
- 7.6 Have at least five (5) clients who can serve as reference, where the bidder has performed internal audit engagements (engagements should have lasted for at least 12 months uninterrupted).

8. TECHNICAL PROPOSAL

The written technical proposal should focus on the following aspects:

- **Experience of the firm in Internal Audit Services, including specialised skills, expertise, and value-added services.**
 - Demonstration of the firm’s substantial internal audit experience.
 - Specialised skills, expertise, and value-added services in the field of internal audit, including evaluation methodology.
 - Availability of forensic audit skills and tools.
 - Availability of computer audit skills and tools.
- **Experience in the internal audit of public entities.**
 - Advanced understanding of and sufficient exposure to the Public Finance Management Act of 1999 and Protocol on Corporate Governance in the Public Sector.
 - Experience in the auditing of public entities, with reference letter.
 - External references, the size of audits and the size of the client base.
- **Qualifications and experience of team members.**
 - The relevant individuals must be members in good standing with the Institute of Internal Auditors South Africa (IIA SA) and or SAICA.
 - Detailed CVs of all members of the internal Audit team.
- **Ability to provide the services and adequate institutional support.**
 - Shareholding and management structure.
 - Years in business.
 - Turnover fees for the past two to three years.
 - Professional staff numbers.

EVALUATION CRITERIA

Minimum Requirements

Bidders must comply with all the minimum requirements as listed below. Failure to comply with any of the supporting documentation listed below will result in your bid being disqualified.

ITEM DESCRIPTION	
(a)	Bidder must complete and sign the bid forms (SBD1, 3.3, 4 and 6.1) in full.
(b)	Proof registration with Central Database System (CSD) must be attached to the bid.
(c)	Proof of registration with Institute of Internal Auditors (IIA) and/or South African Institute of Chartered Accountants (SAICA) for at least one key personnel assigned to the audit team.

A. EVALUATION METHODOLOGY

In accordance with the Preferential Procurement Policy Framework Act, 2000 the bid evaluation process shall be carried out in three Phases namely:

- Phase 1: Administrative Compliance
- Phase 2: Evaluation on Functionality
- Phase 3: Evaluation in terms of Price and Preference

1. Phase 1: Administrative Compliance

This is a first phase where service providers' proposals and attachments will be checked as per mandatory requirements in relation of supporting documents requested.

2. Phase 2: Functionality

The assessment on functionality will be done in terms of the evaluation criteria and minimum threshold as specified. The minimum qualifying score for functionality is **70%** as set out below. Bidders who fail to achieve the minimum qualifying score on functionality will be disqualified.

Functionality assessment should be allocated as follows:

FUNCTIONALITY CRITERIA		Points Awarded	
	COMPONENTS		
A	FINANCIAL ABILITY		10
	Submission of letter from the Bank (we reserve the right to verify)		
	Bank rating A	10	
	Bank rating B	08	
	Bank rating C	05	
	Bank rating D	03	
	Bank rating E	02	

	Banking rating F downwards	0	
B	PROVEN TRACK RECORD (Number of years active and experience gained in this field, to who services provided, and a record of services rendered complete with references. Provide documentation to confirm track record.)		30
	<ul style="list-style-type: none"> • Five (5) letters of reference 	30	
	<ul style="list-style-type: none"> • Four (4) letters of reference 	20	
	<ul style="list-style-type: none"> • Three (3) letters of reference 	10	
	<ul style="list-style-type: none"> • Two (2) letters of reference and less 	0	
C	SKILLS AND QUALIFICATIONS (Attach Company profile with list of CV's and copies of qualifications of key personnel that will be assigned to the internal audit contract.)		40
	<ul style="list-style-type: none"> • Proof of registration with IIA and or SAICA for at least one key personnel assigned to the audit team 	20	
	<ul style="list-style-type: none"> • No proof of registration 	0	
	Audit Partner assigned to the project team should at least have a minimum of five years post article experience in internal audit		
	<ul style="list-style-type: none"> • More than five (5) years' experience 	20	
	<ul style="list-style-type: none"> • Minimum five years' experience 	15	
	<ul style="list-style-type: none"> • Less than five (5) years' experience 	0	
D	LOCALITY		20
	<ul style="list-style-type: none"> • Office situated in Limpopo Province 	20	
	<ul style="list-style-type: none"> • Office situated outside Limpopo Province 	10	

The minimum qualifying score for functionality is **70%**.

3. Phase 3: Evaluation in terms of Price and Preference Point Systems

Only bids that achieve the minimum qualifying score/percentage for functionality will be evaluated further in accordance with the 80/20 preference point system prescribe in Preferential Procurement Regulations 6 and 7.

Step 1: Calculation of Points for Price

- 1) The PPPFA prescribes that the lowest acceptable bid will score 80 points for price. Bidders that quoted higher prices will score lower points for price on a pro-rata basis.
- 2) **When calculating prices:**
 - a) Unconditional discounts will be considered for evaluation purposes; and

- b) Conditional discounts will not be considered for evaluation purposes but would be implemented when payment is affected.
- 3) The formulae to be utilized in calculating points scored for price is as follows:

80/20 Preference point system (for acquisition of goods or services for a Rand value equal to or above R30 000 and up to R50 million) (all applicable taxes included)

Where:

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

P_s = Points scored for price of tender under consideration.

P_t = Price of tender under consideration.

P_{min} = Price of lowest acceptable tender.

- 4) Points scored must be rounded off to the nearest 2 decimal places.

Step 2: Calculation of points for B-BBEE status level of contributor

Points will be awarded to a bidder for attaining the B-BBEE status level of contributor in accordance with the table below:

B-BBEE STATUS LEVEL CONTRIBUTOR	NUMBER OF POINTS (80/20 SYSTEM)
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant	0

Calculation of total points scored for price and B-BBEE status level of contributor.

The points scored for price will be added to the points scored for B-BBEE status level of contributor to obtain the bidders' total points scored out of 100.

"FORM C"

**PRICING SCHEDULE
(Professional Services)**

NAME OF BIDDER: **BID NO.:** LTA001-22/23

CLOSING TIME: 11:00

CLOSING DATE: 31 JANUARY 2023

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)
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1. PRICING SCHEDULES

Pricing for rates per hour in Rand including VAT should be according to the latest approved applicable industry rates:

YEAR 1 FEES

Item	Description	Rate Per Hour	Hours	Total Cost
1	Director/Partner x1		100	
2	Manager x1		163	
3	Senior Internal Auditors x2		320	
4	Internal Audit Specialist-IT x1		40	
	Total		623	

Year 1 -A detailed breakdown of projects will be based on the above total estimated hours, and which includes but not limited to travelling expenses, travelling time charged as per above positions, Accommodation, Subsistence, etc.

Item	Detail Description	Units	Rate per Unit	Quantity	Total Cost
	Total Disbursement Expenses Year One				

Total Costs Year One - R_____

YEAR 2 FEES

Item	Description	Rate Per Hour	Hours	Total Cost
1	Director/Partner x1		80	
2	Manager x1		140	
3	Senior Internal Auditors x2		313	
4	Internal Audit Specialist-IT x1		40	
	Total		573	

Year 2 -A detailed breakdown of projects will be based on the above total estimated hours, and which includes but not limited to travelling expenses, travelling time charged as per above positions, Accommodation, Subsistence, etc.

Item	Detail Description	Units	Rate per Unit	Quantity	Total Cost
	Total Disbursement Expenses Year Two				

Total Costs Year Two - R_____

YEAR 3 FEES

Item	Description	Rate Per Hour	Hours	Total Cost
1	Director/Partner x1		80	
2	Manager x1		120	
3	Senior Internal Auditors x2		333	
4	Internal Audit Specialist-IT x1		30	
	Total		563	

Year 3 -A detailed breakdown of projects will be based on the above total estimated hours, and which includes but not limited to travelling expenses, travelling time charged as per above positions, Accommodation, Subsistence, etc.

Item	Detail Description	Units	Rate per Unit	Quantity	Total Cost

	Total Disbursement Expenses Year Three				

Total Costs Year Three - R_____

TOTAL BID PRICE FOR 36 MONTHS - R_____ (VAT Inc.)

- a. Please provide the cost of attending the Risk and Audit Committee meetings.
- b. All logistical/administration rate estimates such as accommodation, travel per kilometre, subsistence per day (or part thereon), etc. shall be claimed at no more than actual and limited to government approved rates (e.g. DoT rates for travel per kilometre, National Treasury rates for accommodation; etc.)

2. PRICING: GENERAL

- The proposed rates must be VAT inclusive and should be quoted in South African Rand.
- Cost for air travel will be for the account of the service provider **unless** proved to be economical and in line with the latest National Treasury’s Cost Containment Guidance.
- Payment for services will be conducted based on identified milestones in respect of each audit assignment, projected cash flows, and project plan as agreed with the service provider.



BIDDER'S DISCLOSURE

SBD 4 FORM

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

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

2.2 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:

.....

3.5 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract?

YES/NO

2.3.1 If so, furnish particulars:

.....

3 DECLARATION

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

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with

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.

the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.

- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

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

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

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

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 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) Either the 80/20 or 90/10 preference point system will be applicable to this tender (*delete whichever is not applicable for 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	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

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	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

- 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 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

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

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:

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 (GCC) 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 GCC. 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 anything value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 “Countervailing duties” are imposes 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 direct from stock actually on hand.
 - 1.10 “Delivery into consignees store or to his site” means delivered and unload in the specified store or depot 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 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 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 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 bidders 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, 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 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 organisation purchasing the goods.
- 1.22 “Republic” means the Republic of South Africa.
- 1.23 “SCC” means the special Conditions of Contracts.
- 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 hand-written 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 usually published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X 85, Pretoria 0001, or accessed locally 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. Uses 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 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.

8. Inspections, tests and analyses

8.1 All pre-bidding testing will be for 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 purchaser or an organization acting on behalf of the purchaser.

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 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 analysed 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 supplier's 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, purchaser 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 good as is required to prevent their damaged 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 subsequent instructions ordered by the purchaser.

10. Delivery and documents

10.1 Delivery of the goods and arrangements for shipping and clearance obligations shall be made by the supplier in accordance with the terms specified in the contract.

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 damaged incidental to manufacture or acquisitions, transportation, storage and delivery in the manner specified SCC.

12. Transportation

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

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 the 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 supplies 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 services 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 Price 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, supplier, that this election shall not relieve the supplier of any warranty obligations under the contract;

(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 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 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 the SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without cost 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 payments 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 fulfilment 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 Payments 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 contract 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.

22. Delays in the supplier's performance

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

22.2 If at 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.

22.3 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.

21.5 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quantity and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods not 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;

(c) If the supplier, in the judgement 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 restrictions 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 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.

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

23.7 If a court of law convicts a person of an offence as contemplated in section 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 rendered 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 clause 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

21.1 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 case of criminal negligence or wilful 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 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 laws

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 services 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 by the South African Revenue Services.

33. National Industrial Participation Programme (NIPP)

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 Competitive 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 an item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor (s) for a period not exceeding ten (10) years and / or claim damage from the bidders(s) or contractor(s) concerned.



SWORN AFFIDAVIT – B-BBEE EXEMPTED MICRO ENTERPRISE

I, the undersigned,

Full name & Surname	
Identity number	

Hereby declare under oath as follows:

1. The contents of this statement are to the best of my knowledge a true reflection of the facts.
2. I am a member/director/owner of the following enterprise and duly authorised to act on its behalf:

Enterprise Name	
Trading Name	
Registration Number	
Enterprise Address	

3. I hereby declare under oath that:

- The enterprise is _____% black owned;
- The enterprise is _____% black woman owned;
- Based on the management accounts and other information available on the _____ financial year, the amount did not exceed R10,000,000.00 (ten million Rands);
- Please confirm on the table below the B-BBEE level contributor, **by ticking the applicable box.**

100% black owned	Level One (135% B-BBEE procurement recognition)	
More than 51% black owned	Level Two (125% B-BBEE procurement recognition)	
Less than 51% black owned	Level Four (100% B-BBEE procurement recognition)	

4. The entity is an empowering supplier in terms of the **dti** Codes of Good Practice.
5. I know and understand the contents of this affidavit and I have no objection to take the prescribed oath and consider the oath binding on my conscience and on the owners of the enterprise which I represent in this matter.
6. The sworn affidavit will be valid for a period of 12 months from the date signed by commissioner.

Deponent Signature: _____

Date: _____

Commissioner of Oaths

Signature & Stamp