SPECIAL CONDITIONS OF CONTRACT

RT25-2016

THE APPOINTMENT OF SERVICE PROVIDERS FOR AN INTEGRATED FINANCIAL MANAGEMENT AND INTERNAL CONTROL SYSTEM FOR LOCAL GOVERNMENT FOR THE PERIOD 1 JUNE 2016 TO 31 MAY 2019

BID CLOSING DATE: 18 APRIL 2016

VALIDITY PERIOD 120 DAYS

NATIONAL TREASURY
TRANSVERSAL CONTRACTING

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LIST OF ACRONYMS/DEFINITIONS:

BEC: Bid evaluation committee

BAC: Bid adjudication committee

mSCOA: Municipal Standard Chart of Accounts

CIPRO: Companies and Intellectual Property Registration Office

CIPC: Companies and Intellectual Property Commission

MFMA: Municipal Finance Management Act

PFMA: Public Finance Management Act

OCPO: Office of the Chief Procurement Officer, National Treasury

SARS: South African Revenue Services

Service Provider: Any commercial enterprise, business partnership, individual consultant, sole trader, NGO or academic institution

TOR: Terms of Reference

SLA: Service Level Agreement

System: Integrated Financial Management and Internal Control System

GRAP: Generally Recognized Accounting Practice

MISS: Minimum Information Security Standards

SECTION A: GENERAL

1 LEGISLATIVE AND REGULATORY FRAMEWORK

1.1 This bid and all contracts emanating there from will be subject to the General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999). The Special Conditions of Contract are supplementary to that of the General Conditions of Contract. Where, however, the Special Conditions of Contract are in conflict with the General Conditions of Contract, the Special Conditions of Contract will prevail.

1.2 Municipalities utilizing this contract shall do so in accordance with the supply chain regulations governing local government procurement in terms of Section 116 of the Municipal Finance Management Act (MFMA), 2003 (Act 56 of 2003).

2 TAX CLEARANCE CERTIFICATE

2.1 An original and valid Tax Clearance Certificate issued by the South African Revenue Services certifying that the taxes of the bidder are in order must be submitted at the closing date and time of bid.

2.2 Copies and/or certified copies of the Tax Clearance Certificate will not be acceptable.

2.3 Failure to submit the original and valid Tax Clearance Certificate at the closing date and time of bid will invalidate the bid.

3 VALUE ADDED TAX

3.1 All bid prices must be inclusive of 14% Value-Added Tax.

3.2 Failure to comply with this condition may invalidate the bid.

4 AUTHORISATION DECLARATION

4.1 Any bidder who is sourcing goods or services from a third party must complete the "Authorisation Declaration" (TCBD 1) in full for all relevant goods or services, sign it and submit it together with the bid documents at the closing date and time of the bid.

4.2 The State reserves the right to verify any information supplied by the bidder in the Authorisation Declaration and should the information be found to be false or incorrect, the State will exercise any of the remedies available to it in the bid documents.

4.3 The bidder must ensure that all financial and supply arrangements for goods or services have been mutually agreed upon between the bidder and the third party. No agreement between the bidder and the third party will be binding on the State.

4.4 Failure to submit a duly completed and signed Authorisation Declaration, with the required annexure(s), in accordance with the above provisions will invalidate the bid for such goods or services offered.

5 SUBMISSION OF BIDS

5.1 Bidders must submit the bid in hard copy format (paper document) to National Treasury: Tender Information Centre on or before the closing date and time. The hard copy of the bid response will serve as the legal bid document and must be signed on each page.

5.2 Each bid should be submitted in a separate, sealed envelope or suitable cover on which the name and address of the bidder, the bid number and the closing date must be clearly endorsed.

5.3 Bidders must include with their bid submission an electronic copy of their bid on a CD in the same format as provided (i.e. pricing schedule in excel). All electronic data submitted must be an exact copy of the hard copy document. Any discrepancies between the electronic data and the hard copy may invalidate the bid.

6 LATE BIDS

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

7 COUNTER CONDITIONS

7.1 Bidders' attention is drawn to the fact that amendments to any of the Bid Conditions by bidders may result in the invalidation of such bids.

7.2 The National Treasury reserves the right to change any information in, or to issue any addendum to this bid before the Closing Date and Time.

8 FRONTING

8.1 The National Treasury supports the spirit of broad based black economic empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background the National Treasury condemns any form of fronting.

8.2 The National Treasury, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct or initiate the necessary enquiries/ investigations to determine the accuracy of the representation made in bid documents. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry, be established during such enquiry/investigation, the onus will be on the bidder/contractor to prove that fronting does not exist. Failure to do so within a period of 14 days from date of notification may invalidate the bid/contract and may also result in the restriction of the bidder/contractor to conduct business with the public sector for a period not exceeding ten years, in addition to any other remedies the National Treasury may have against the bidder/contractor concerned.

9 SUPPLIER DUE DILIGENCE

9.1 The State reserves the right to conduct supplier due diligence prior to final award or at any time during the contract period.

10 COMMUNICATION

10.1 The Chief Directorate: Transversal Contracting: Office of the Chief Procurement Officer (OCPO), National Treasury may communicate with bidders where clarity is sought after the closing date of the bid and prior to the award of the contract, or to extend the validity period of the bid, if necessary.

10.2 Any communication to any government official or a person acting in an advisory capacity for the State in respect of this bid between the closing date and the award of the bid by the bidder is discouraged.

10.3 All communication between the bidder and the Chief Directorate: Transversal Contracting: OCPO must be done in writing.

11 CONTACT DETAILS

11.1 **General:**

Chief Directorate: Transversal Contracting: OCPO, National Treasury, Private Bag x115, Pretoria, 0001

Physical address: 240 Madiba Street, corner of Thabo Sehume and Madiba Streets, Pretoria

11.2 **Bid and technical enquiries:**

Contract Manager: Manthepeng Tshinavha
Chief Directorate: Transversal Contracting: OCPO, National Treasury
Tel: (012) 395-6528
Fax: (012) 315-5058
E-mail: manthepeng.tshinavha@treasury.gov.za

SECTION B1: TERMS OF REFERENCE

12 BACKGROUND

12.1 Section 5 of the MFMA enables National Treasury to investigate any system of financial management and internal control in a municipality or municipal entity and recommend appropriate improvements. This relates to all financial applications, including those used for revenue, expenditure, supply chain, asset and liability management, payroll, accounting, etc. It is imperative that municipalities operate effectively and utilise financial applications optimally to present credible information on a timely basis for internal and external use.

12.2 The Municipal Regulations, issued in terms of MFMA, on Standard Chart of Accounts (mSCOA) Gazette No. 37577 – provides for the following key objectives:

- Improved data quality and credibility;
- The achievement of a greater level of standardisation;
- The development of uniform data sets critical for whole-of-government reporting;
- The standardisation and alignment of the 'local government accountability cycle' by the regulation of not only the budget and in-year reporting formats but also the annual report and annual financial statement formats;
- The creation of the opportunity to standardise key business processes with the consequential introduction of further consistency in the management of municipal finances;
- Improved transparency, accountability and governance through uniform recording of transactions at posting account level detail;
- Enabling deeper data analysis and sector comparisons to improve financial performance; and
- The standardisation of the account classification to facilitate mobility in financial skills within local government and between local government and other spheres as well as the private sector and to enhance the ability of local government to attract and retain skilled personnel.

12.3 Circular No 57 of the MFMA was issued during the planning phase of the mSCOA project. The aim of circular 57 was to discourage municipalities from changing financial information systems during the planning and implementation phases of mSCOA. It would guard municipalities from implementing systems that would, after an implementation piloting phase, being deemed as

unable to transact in accordance to the regulations, and the municipality's expense for such an acquisition be construed as being fruitless and wasteful expenditure.

12.4 The piloting phase of mSCOA implementation has now been concluded and Circular 57 will be replaced to assist and protect municipalities when acquiring financial management and internal control systems.

13 OBJECTIVE

13.1 The objective of this bid is to appoint municipal financial management and internal control system providers who are able to provide solutions to municipalities in accordance with the mSCOA regulations, applicable legislation and processes as indicated in the technical specifications.

13.2 Multiple system vendors will be appointed to enable municipalities to implement a system solution best suited to their individual requirements.

14 SCOPE OF WORK

14.1 This transversal bid is for the supply and implementation of an Integrated Financial Management and Internal Control System (System) as per the attached technical specification.

14.2 The system must, at a minimum, comply with the seven main components of municipal financial management and control. The seven components must integrate seamlessly with the mSCOA general ledger and comply at a posting level to mSCOA Regulations and GRAP. The main components are defined as follows:

- General Ledger as per mSCOA regulation
- Billing for municipalities
- Supply chain management that complies with regulation
- Assets management and tracking
- Inventory stores
- Budget module aligned to IDP as regulated
- HR and Payroll module with leave management

14.3 Fifteen major business processes have been defined within Local Government. These business processes are defined in the technical specification. Each business process has been fragmented

into sub-processes to enable alignment to practical work streams common to municipalities. Legislative or business requirements provide further explanation of the sub-processes.

The business processes are:

- Corporate Governance;
- Municipal Budgeting, Planning and Modelling;
- Financial Accounting;
- Costing and reporting;
- Project Accounting;
- Treasury and Cash Management;
- Procurement Cycle: Supply Chain Management, Expenditure Management, Contract Management and Accounts Payable;
- Grant Management;
- Full Asset Life Cycle Management including Maintenance Management;
- Real Estate and Resources Management;
- Human Resource and Payroll Management;
- Customer Care, Credit Control and Debt Collection;
- Valuation Roll Management;
- Land Use Building Control; and
- Revenue Cycle Billing.

14.4 Functionality within systems, acting as enablers of the business processes, have been added and describes how systems must assist local government in maintaining proper execution and achievement of business process milestones and deliverables. Although the required system functionality is accepted to be driven by either legislation or mSCOA regulation, some functionality has been identified through evaluation, to be for best practice activities within local government.

14.5 An indicator has been placed with each required system functionality to specify what the relevancy of the said requirement is for the mSCOA regulation. Transactional indicates that the functionality must, at the point of source, be made within the mSCOA segmentation. The derived

indicator allows for transactions to be originated from sub-systems and updated into the general ledger in segments.

14.6 For each of the detailed system requirements within the pricing schedule the following breakdown of pricing will be required:

License Fees:

- Once-off license, where the system solution requires an initial once-off fee;
- Annual maintenance fee, where software maintenance fees are payable annually or in monthly instalments;
- Annual service level agreement fee, where fees are payable to ensure support is available, i.e. helpdesk;

After implementation onsite support, where support staff are placed at the municipality other than the six week go-live support.

Implementation:

- Assessment of current status: On- or offsite investigation of the current financial data
- Organisational change management: Cost to ensure that organisational change management is addressed during implementation
- Assessment of requirement: During assessment for current status, requirements must be identified.
- Customisation and setup of parameters: Operating system and server (setup of server with related software); Database setup (cost of setting up required database); Security and roles definition (the cost of configuring users' access and security features) and Software solution (customising software solution to fit client requirement).
- User acceptance testing: Test environment setup and testing to an accepted level for users
- Implementation training: Training for the size of municipality as indicated
- Refresher training: Training plan for the next three years

- Handholding: Cost to have support staff onsite for six weeks to ensure all processes have been tested. First billing cycle completed, salary run done, asset financial transactions integrated, general ledger month-end done, and statutory reporting submitted.

14.7 The right is reserved to review the technical specification as and when required.

SECTION B2: SPECIFIC BID CONDITIONS

15 DURATION OF CONTRACT

15.1 The duration of contract RT25-2016 shall be for a period of 36 months commencing on 1 June 2016 to 31 May 2019.

15.2 The duration of the service level agreement entered into by and between the successful bidder and a municipality will be for a period not exceeding 60 (sixty) months from date of signing the service level agreement subject to the provisions of Section 33 of the MFMA.

16 PARTICIPATING MUNICIPALITIES

16.1 This contract should be utilised by local government for their procurement of an integrated financial management and internal control systems.

17 AWARD CONDITIONS

17.1 The State reserves the right to award contracts to more than one contractor for the different categories of municipalities.

17.2 Multiple system vendors will be appointed to enable municipalities to implement a system solution best suited to their individual requirements. Due diligence will be applied to ensure that pricing is affordable, market related and aligned to the service offerings and business requirement of local government.

17.3 **Modules Grouped as a Series**

17.3.1 The different modules of the system are grouped as a series and shall be regarded as a group and be evaluated and awarded accordingly.

17.3.2 Bidders are required to offer prices for all modules relevant to a specific category of municipality

17.3.3 Bidders must take note that the allocation of points will be per group award.

17.3.4 Non-compliance with the abovementioned requirement will invalidate the bid for the specific category of municipality

18 NON-COMMITTMENT

18.1 The right is reserved not to accept any of the bids submitted.

18.2 The right is also reserved to withdraw or amend any of the bid conditions by notice in writing to all bidders.

19 EVALUATION PROCESS

The evaluation process comprises the following phases:

19.1 **Phase I: Mandatory requirements:**

During this phase bidders' response will be evaluated based on the mandatory requirements indicated hereunder. This phase is not scored and bidders who fail to comply with all the mandatory criteria will be disqualified.

19.1.1 **Valid and original tax clearance certificate**

An original and valid Tax Clearance Certificate, issued by the South African Revenue Services, certifying that the taxes of the bidder are in order, must be submitted with the bid documents at the closing date and time of the bid as indicated in paragraph 2 above.

In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.

19.1.2 **Service provider profile**

The bidder shall submit a company profile with the bid documents at the closing date and time of the bid.

19.1.3 **Company financial statements**

The bidder shall submit a copy of the bidder's latest available audited financial statements, or confirmation from the bidder's auditors that the bidder is a going concern, with the bid documents at the closing date and time of the bid.

19.1.4 **Shareholding portfolio**

The bidder shall submit valid proof of registration of the company with CIPRO/CIPC with the bid documents at the closing date and time of the bid. If by law registration with CIPRO/CIPC is not required, proof of ownership/shareholding must be provided.

19.1.5 **Responsive bids**

Bidders must ensure their bids are responsive by completing and signing, where applicable, all relevant bid documents.

19.1.6 **Pricing schedule**

The pricing schedule provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed without changing the structure thereof. The pricing schedule must be submitted at the closing date and time of bid.

19.1.7 **Standards on records management and security control**

The Protection of Personal Information Act must be adhered to and bidders must provide documentary evidence (e.g. ISO, ISAE, and MISS etc.) to substantiate compliance with the requirements relating to records management and security control.

19.1.8 **mSCOA compliance**

The technical specification document contains specific mSCOA required indicators which must be complied to. Bidders must clearly indicate and be able to demonstrate compliance with these requirements.

19.1.9 **Compulsory Briefing Session**

19.1.9.1 The briefing session is compulsory and will provide bidders with an opportunity to obtain clarity on certain aspects of the process as set out in this document they might have. Prospective bidders who do not attend the compulsory briefing session will not be considered for this bid.

19.1.9.2 Particulars are as follows:

Address:, 1258 Lever Road, Headway Hill, Midrand

Venue: Development Bank of South Africa: Vulendela Auditorium (VA)

Date: 16 March 2016

Starting time: 10h00

19.1.9.3 The National Treasury reserves the right to answer questions at the session or to respond formally in writing after the briefing session.

19.2 **Phase II: Functional evaluation:**

19.2.1 Only bidders who have complied with all mandatory requirements will be evaluated for functionality. During this phase bidders' response will be evaluated for functionality based on achieving a minimum total score of 70% for the functional requirements per category of municipality as defined in paragraph 20.3.

19.2.2 Bidders must, as part of their bid documents, submit supportive documentation for all functional requirements as indicated hereunder. The Bid Evaluation Committee (BEC) responsible for scoring the respective bids will evaluate and score all bids based on their submissions and the information provided.

19.2.3 Bidders will not rate themselves, but need to ensure that all information required is supplied. The BEC will evaluate and score all responsive bids and will verify all documents submitted by the bidders.

19.2.4 The BEC members will individually evaluate the responses received against the following criteria:

Criteria	Functional requirements	Weight
1	Documentary evidence to demonstrate previous experience of the bidder in undertaking projects of this nature, and a proven track record. In this regard bidders are required to provide a portfolio of local government specific experience within the financial management and internal control systems environment.	15
2	Documentary evidence to demonstrate a structured approach and work methodology/approach through a concise capability statement/project proposal proving the ability to perform the activities as outlined in the Scope of Work and technical specification. In addition, this work methodology/approach must include a clear statement of the bidders understanding of the mSCOA classification framework and implications on system functionality as it relates to financial management and internal control.	15
3	System requirements: Modules of the system are linked to accepted business processes and the technical specification document must be completed by bidders indicating their compliance with the business processes and system requirements per category of municipality as guided and defined in paragraph 14.3 (fifteen major business processes). Bidders need to take note that the technical specifications and associated business	70

	processes have been grouped against these 15 business processes and responses need to be informed and aligned to these requirements as contained the bid specification document.	
	Total	**100**

19.2.5 The score for functionality will be calculated as follows:

Each BEC member will rate each individual criterion on the score sheet using the following value scale:

Performance	**Description**	**Score**
Exceed	Response addresses and exceeds the functionality requirements	8-10
Compliant	Response addresses all functionality requirements	7
Partially compliant	Response partially addresses the functionality requirements	1-6
Non-compliant	Response did not address the functionality requirements	0

19.2.6 The value scored for each criterion will be multiplied with the specified weighting for the relevant criterion to obtain the marks scored for each criterion. These marks will be added and expressed as a fraction of the best possible score for all criteria.

19.2.7 This score will be converted to a percentage and only bidders that have met or exceeded the minimum threshold of 70% for functionality (phase II) will be required to demonstrate their system.

19.3 **Phase III: System Demonstration**

19.3.1 Bidders who have met the minimum threshold of 70% for functionality, will be compelled to demonstrate their system functionality with actual test data, to compliance of their system offering as it relates to mSCOA and other regulations.

19.3.2 The above will seek clarity on bids received in order to ascertain whether the bid meets the system requirements.

19.3.3 Bidders should take note that the demonstrations should confirm their technical and functional evidence requirements. Should the State detect any misrepresentation thereof, the bid may be disqualified.

19.3.4 The location, date and time of such demonstration will be communicated with the relevant bidders.

19.3.5 Only bidders who have successfully demonstrated their system capabilities will be considered for price and BBBEE point's evaluation as indicated hereunder.

19.4 **Phase IV: Price and BBBEE Points Evaluation**

19.4.1 In terms of regulation 6 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated by the State on the 90/10-preference point system in terms of which points are awarded to bidders on the basis of:

- The bid price (maximum 90 points)
- B-BBEE status level of contributor (maximum 10 points)

19.4.2 The following formula will be used to calculate the points for price:

$$Ps = 90\left(1-\frac{Pt-P\min}{P\min}\right)$$

Where

Ps = Points scored for comparative price of bid under consideration

Pt = Comparative price of bid under consideration

Pmin = Comparative price of lowest acceptable bid

19.4.3 A maximum of 10 points may be allocated to a bidder for attaining their B-BBEE status level of contributor in accordance with the table below:

B-BBEE Status Level of Contributor	Number of Points
1	10
2	9
3	8
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

19.4.4 Bidders are required to complete the preference claim form (SBD 6.1), and submit their original and valid B-BBEE status level verification certificate or a certified copy thereof at the closing date and time of the bid in order to claim the B-BBEE status level point.

19.4.5 The points scored by a bidder in respect of the level of B-BBEE contribution will be added to the points scored for price.

19.4.6 Only bidders who have completed and signed the declaration part of the preference claim form and who have submitted a B-BBEE status level certificate issued by a registered auditor, accounting officer (as contemplated in section 60(4) of the Close Corporation Act, 1984 (Act no. 69 of 1984)) or an accredited verification agency will be considered for preference points.

19.4.7 Failure on the part of the bidder to comply with paragraphs 19.4.4 and 19.4.6 above will be deemed that preference points for B-BBEE status level of contribution are not claimed and will

therefore be allocated a zero (0).

19.4.8 The State may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to preference.

19.4.9 The points scored will be rounded off to the nearest 2 decimals.

19.4.10 In the event that two or more bids have scored equal total points, the contract will be awarded to the bidder scoring the highest number of preference points for B-BBEE.

19.4.11 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

19.4.12 A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.

20 PRICING STRUCTURE

20.1 Prices submitted for this bid must be completed in the fields provided on the pricing schedules supplied with the bid. Price structures that do not comply with this requirement may invalidate the bid.

20.2 The system components as per paragraph 14.2 above have been broken down in modules and must be priced separately in the pricing schedule.

20.3 For pricing purposes municipalities have been grouped in seven categories as follows:

- A – Metro's
- B1 – Secondary Cities
- B2 – Large Towns
- B3 – Small Towns
- B4 – Mainly Rural
- C1 – Districts without water billing
- C2 – Districts with water billing

20.4 Bidders are required to submit bids for the above category of municipalities strictly in terms of the pricing schedule provided for each category of municipality separately in this bid. It is not

compulsory for bidders to submit an offer for all the categories of municipalities, especially if their offer is designed to cater for a specific size of municipality only.

20.5 The module requirements for the different categories of municipalities vary and the bidder must only price the relevant modules of the pricing schedule applicable to the category of municipality.

20.6 Bidders are required to indicate the time in weeks for implementing the system at each of the categories of municipality. This time is based on the assumption that the data received from the municipality is in an acceptable format and that all required positions within the municipality are filled.

20.7 Hardware required to successfully operate the system must be included in the pricing schedule provided. Full details of specific hardware requirements must be provided.

20.8 The hourly rates for resources that will be charged out after implementation of the system must be included in the pricing schedule provided.

20.9 **Sub-Contracting**

20.9.1 Bidders may make use of sub-contractors for delivery, installation, implementation and /or maintenance. The contract will, however, be awarded to the bidder as the primary contractor who will be responsible for the management of the contract. The State will not enter into any separate contracts with such sub-contractors with regard to this contract.

21 CONTRACT PRICE ADJUSTMENTS

21.1 Prices submitted for this bid will be subject to rates of exchange (ROE) adjustments only.

21.2 Applications for price adjustment must be sent to National Treasury for approval. Unless prior approval has been obtained from National Treasury, no adjustment in contract prices will be made.

21.3 Applications for price adjustments must be accompanied by documentary evidence in support of any adjustment claim.

21.4 In the event where material and/or finished products are imported the following will apply:

21.4.1 Rate(s) of exchange to be used in this bid in the conversion of the bid price of the item(s) to South African currency is indicated in the table below.

Currency	**Base rates of exchange** Spot rate on: 2 March 2016
US Dollar	15.68
Pound Sterling	21.87
Euro	17.04

21.4.2 Should the bidder make use of any other currency not mentioned above, the bidder is requested to use the spot rate on the date indicated above from the Reserve Bank published rates for the specific currency. Visit www.reservebank.co.za to obtain the relevant rates. Please refer to TCBD 2 (Procedure to download historical exchange rates from the Reserve Bank website) for instructions.

21.4.3 Contract price adjustments due to rate of exchange variations shall be on an annual basis and based on spot rates as published by the Reserve Bank for the dates indicated hereunder:

Adjustment	**Submission date**	**Effective date**	**Spot rate date**
1st Adjustment	8 May 2017	1 June 2017	1 May 2017
2nd Adjustment	7 May 2018	1 June 2018	1 May 2018

22 NEGOTIATIONS

22.1.1 The State reserves the right to negotiate with the shortlisted bidders prior to award and with the successful bidder(s) post award.

SECTION C: POST-AWARD CONDITIONS

23 ROLES AND RESPONSIBILITIES

23.1 Contract Administration

23.1.1 The administration and facilitation of the contract will be the responsibility of National Treasury, Transversal Contracting and all correspondence in this regard must be directed to the following address:

The Chief Directorate: Transversal Contracting, National Treasury, Private Bag X115, Pretoria, 0001

23.1.2 Contractors must advise the Chief Directorate: Transversal Contracting, National Treasury immediately when unforeseeable circumstances will adversely affect the execution of the contract. Full particulars of such circumstances as well as the period of delay must be furnished.

23.2 Agreement

23.2.1 No other agreements except the Service Level Agreement will be signed with the contractor. The Service Level Agreement must be signed by both parties and two (2) copies of the Service Level Agreement must be signed.

23.3 Supplier Performance Management

23.3.1 Supplier performance management will be the responsibility of end-user municipality and where supplier performance disputes relating to the contract cannot be resolved between the contractor and the relevant purchasing institution, National Treasury: Transversal Contracting must be informed accordingly.

23.4 Placement of Orders and Payments

23.4.1 Orders will be placed by the municipality who will be responsible for the payment to contractors for goods delivered and/or services rendered within the prescripts of the MFMA.

24 COPYRIGHT & INTELLECTUAL PROPERTY RIGHTS

24.1 Copyright of all documentation resulting from contracts arising from this contract belongs to the government client concerned. The service provider may not disclose any information, documentation or products to other clients, or to any other party, without the written approval of the government client concerned.

24.2 The intellectual property rights arising from the execution of a contract shall vest in the government client concerned and the service provider undertakes to honour the client's intellectual property rights and all future rights by keeping the know-how and all published and unpublished material confidential.

24.3 The intellectual property associated with the service offering will remain that of the service provider, but all data and associated information is sole ownership of Local Government and would be provided to Local Government as and when required with no cost implications.

25 SKILLS TRANSFER

In order to comply with the requirement for transferring skills and with the view of building internal capacity, service providers will work closely with the personnel of the relevant government client. To this end a comprehensive skills transfer plan will form an integral part of each service level agreement entered into.

26 SERVICE LEVEL AGREEMENT

The contractual relationship and terms of reference of specific service to be rendered will be governed by a service level agreement between the municipality and selected service provider.

27 POST AWARD REPORTING

27.1.1 All successful bidders are required to submit information reports regarding the number of municipalities they have entered into service level agreement aligned to this contract including the values thereof via e-mail on a six (6) monthly basis to:

27.1.2 The information must be send to Transversal Contracting, National Treasury via email to Manthepeng Tshinavha @ manthepeng.tshinavha@treasury.gov.za

27.1.3 The dates for which the information must be submitted are as follows:

Period	Period for information must be submitted	Dates at which reports must be submitted
1	1 June 2016 – 30 November 2016	9 December 2016
2	1 December 2016 – 30 May 2017	9 June 2017
3	1 June 2017 – 30 November 2017	8 December 2017
4	1 December 2017 – 30 May 2018	8 June 2018
5	1 June 2018 – 30 November 2018	7 December 2018
6	1 December 2018 – 30 May 2019	7 June 2019

END