

INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE GOVERNMENT TECHNICAL ADVISORY CENTRE

BID NUMBER: GTAC: 007-2017

CLOSING TIME: 17 MARCH 2017 AT 11:00

DESCRIPTION: THE APPOINTMENT OF SERVICE PROVIDERS TO UNDERTAKE A PERFORMANCE AND EXPENDITURE REVIEW WITH RESPECT TO AN IDENTIFIED GOVERNMENT FUNCTION.

The successful bidder will be required to fill in and sign a written Contract Form (SBD 7).

DEPOSITED IN THE BID BOX SITUATED AT:

Tender Box GTAC

Government Technical Advisory Centre (GTAC): National Treasury

24th Floor Reception Area

240 Madiba Street (corner Thabo Sehume Street), Pretoria

Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration.

The bid box is generally open 24 hours a day, 7 days a week.

ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS – (NOT TO BE RE-TYPED)

THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2011, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT

**THE FOLLOWING PARTICULARS MUST BE FURNISHED
(FAILURE TO DO SO MAY RESULT IN YOUR BID BEING DISQUALIFIED)**

NAME OF BIDDER

POSTAL ADDRESS

STREET ADDRESS

TELEPHONE NUMBER CODE.....NUMBER.....

CELLPHONE NUMBER

FACSIMILE NUMBER CODE NUMBER.....

E-MAIL ADDRESS

VAT REGISTRATION NUMBER

HAS AN ORIGINAL AND VALID TAX CLEARANCE CERTIFICATE BEEN SUBMITTED? (SBD 2) YES or NO

HAS A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE BEEN SUBMITTED? (SBD 6.1) YES or NO

IF YES, WHO WAS THE CERTIFICATE ISSUED BY?

AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA).....

A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS); OR.....

A REGISTERED AUDITOR

[TICK APPLICABLE BOX]

(A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE)

TAX CLEARANCE CERTIFICATE REQUIREMENTS

It is a condition of bid that the taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.

- 1 In order to meet this requirement bidders are required to complete in full the attached form TCC 001 "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.
- 2 SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
- 3 The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.
- 4 In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.
- 5 Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website www.sars.gov.za.
- 6 Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website www.sars.gov.za.



Application for a Tax Clearance Certificate

Purpose

Select the applicable option Tenders Good standing

If "Good standing", please state the purpose of this application

Particulars of applicant

Name/Legal name
(Initials & Surname
or registered name)

Trading name
(if applicable)

ID/Passport no

Company/Close Corp
registered no

Income Tax ref no

PAYE ref no 7

VAT registration no 4

SDL ref no L

Customs code

UIF ref no U

Telephone no

Fax
no

E-mail address

Physical address

Postal address

Particulars of representative (Public Officer/Trustee/Partner)

Surname

First names

ID/Passport no

Income Tax ref no

Telephone no

Fax
no

E-mail address

Physical address

SBD 4

DECLARATION OF INTEREST

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

¹"State" means –

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

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

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

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member:
Name of state institution at which you or the person connected to the bidder is employed :
Position occupied in the state institution:

Any other particulars:
.....
.....
.....

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

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

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

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

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

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

2.8.1 If so, furnish particulars:

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

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

2.9.1 If so, furnish particulars.

.....

4 DECLARATION

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of bidder

November 2011

TERMS OF REFERENCE

To undertake a Performance and Expenditure Review with respect to an identified government function

Programme Identification

Name of Client	Government Technical Advisory Centre
Name of Project	Performance and Expenditure Review.
Contracting Authority	Government Technical Advisory Centre
Accountable Officer	Ronette Engela
Project Purpose	To undertake a performance expenditure review of one or more of the topics selected using the defined and established methodology

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1 Background Information

1.1 Introduction

The scope of government's activities is exceptionally large and diverse. This, combined with uneven policy design, operational planning and implementation, means that both the costs and the impact of many activities are poorly understood by policy makers and budget planners, with one recent study concluding that, "A schism has developed between planning, budgeting and monitoring."

A key element of government's plans to improve the links between policy development and implementation is to improve the analytical depth around planning and budgeting. In order to help give effect to this, GTAC has undertaken over 30 Performance and Expenditure Reviews (PERs) since mid-2013 (most of which are available at www.GTAC.gov.za). Over the past few years, GTAC's Performance Expenditure and Policy Analysis unit has refined and improved its methodology for conducting PERs (see Annexure A).

The results of these reviews have expanded departments and National Treasury's understanding of key cost drivers and performance constraints in the delivery of services. The PERs' findings have contributed to adjustments of programmes at an operational level. They have also helped identify instances where policy goals are underfunded and where savings might be achieved.

2 Objectives of the services to be provided

2.1 General Objective

The PERs that are being commissioned are intended to provide an improved understanding of:

- The costs of activities/services, expenditure patterns and trends over recent years, and what drives changes in costs, as well as the distribution of costs and expenditure across spheres of government and between relevant government agencies, and
- The output and impact of this expenditure (and the delivery of services) in supporting government activities or in delivery to the public.

In addition, the PERs should identify proposals for:

- Improving budget allocations and expenditure,
- Improving the linkage between policy goals, programme design, and delivery by identifying and interconnecting the chain of causality between them, and
- Developing key measures of performance to assist in the monitoring of performance and expenditure in the future, preferably based on existing data and systems.

2.2 Specific Objectives

Separate proposals are sought for each of the following topics, a detailed scope statement for each of the topics are included in annexure B:

- (i) Comparative spending review of catering, laundry and security services at provincial and district hospitals (PN 730 - a - PHCLS)**
- (ii) Provincial health services revenue generation (PN 730 - b PHSR)**

- (iii) **Cost implications of implementing the decision on the funding of NGOs in following National Association of Welfare and Non Government Organisations (NAWONGO) Court Judgement (PN 730 - c NAWONGO)**
- (iv) **Comparative spending review of fleet management practices (PN 730 -d PFMS)**
- (v) **Comparative spending review of provincial road expenditure (PN 730 - e PRE)**
- (vi) **Comparative spending review of provincial government office rental accomodation (PN 730 - f PORA)**
- (vii) **Comparative spending review of provincial government housing rental stock (PN 730 - g GHRS)**
- (viii) **Comparative spending review of provincial nature reserves and avenues for possible cost recovery (PN 730 - h PNR)**
- (ix) **Costing the implications of the Disaster Management Act (Act 57 of 2002, as ammended) and providing a comparative spending review of local and district disaster management centres and fire services (PN 730 – i DMC)**
- (x) **Review of the funding systems, mechanisms, and instruments adopted by government in funding for research, development and innovation including an international bench mark analysis (PN 730 – j RDI)**

3 Assumptions and Risks

3.1 Assumptions and Risks

While GTAC has access to expenditure data that are captured across national and provincial spheres of government, service providers will be expected to secure some of the data needed to conduct their analyses. GTAC and the project steering committee will use their best endeavours to assist service providers in doing so. In the case of data captured by municipalities, service providers will need to secure the data. Service providers are expected to make provision for these activities in their project plans.

4 Scope of the Work

4.1 General

The general tasks include:

- (i) Produce a PER on specific sector topics with programme design and costing elements as outlined in the attached 'Steps in Expenditure and Performance Review' (annexure A)
- (ii) Liaise closely with the Project Manager or his/her representative.
- (iii) Attend all required workshops and meetings for discussion of progress, initial results, and final reports.

4.2 Main Tasks to be performed

Minimum requirements of the PER methodology are:

- Step 1a:** Within one week of the appointment of the consultants, an inception meeting will be held with GTAC and the project steering committee. Consultants will be introduced to the scope of work, expectations and timeframes will be confirmed, and data sources identified. Within one week of the of the inception meeting, consultants will provide a detailed work plan with proposed contact person, meetings and timelines clearly detailed.
- Step 1b:** Undertake an institutional analysis of the programme to identify the relevant institutional stakeholders, their roles and relationships. Decision making and governance arrangements, funding flows and beneficiaries are to be mapped in flow charts.
- Step 2:** Develop a clear description of the programme elements of the policy initiative/programme. This should describe the present programme design and, where appropriate, include an ideal description of improved programme design. Implementation modalities should clearly be linked to specific institutional and geographical locations. The theory of change and all underlying assumptions well described.
- Provide an expanded log frame, or equivalent analysis, of the programme/policy initiative. This should allow for a clear work breakdown structure and preferably should be organised into inputs, activities, intermediate outputs, outputs, outcomes and impacts. Clearly articulate the assumptions about causal mechanisms.
- Step 3:** Develop performance measures, preferably in quantifiable terms, along the chain of delivery focussing on key leverage areas. Identify data sources, baselines and, where appropriate, propose realistic targets appropriate to the goals of the service/policy. Based on the delivery chain identified in step 2, indicators will be identified for inputs, activities, outputs and outcomes. Data sources will be identified. Baseline and trend analysis will be undertaken on performance of programmes and the targets that have been established.
- Step 4:** Develop an expenditure analysis. For the programme elements identified in step 2 and step 3, provide a detailed analysis of existing expenditure. It should demonstrate a clear understanding of the flow of funds and historical expenditure trends based on data from national departments, and, where appropriate, nine provinces, local government, and management accounts from public entities (government expenditure data extracted from BAS will be made available to the consulting team).
- Step 5:** The development of a costing model. The costing model will be based on the cost drivers determined in step 4 above and an understanding of similar services in the private sector or elsewhere, baseline needs and delivery standards. The calculations in the model must be visible. The model must be interactive and allow for various scenarios to be developed. It should be possible to edit the model in response to changes in the environment. It should also be possible to update the model on a periodic basis (preferably annually) using a simple flat file format.
- Step 6:** Undertake an analysis of the constraints on the programme with a clear understanding of the relationship between resources and performance. Provide clear proposals linked to the budget of the department/ government agency. Develop alternative delivery scenarios and present the resultant implications in

terms of savings and “trade-offs”. A preferred scenario should be motivated in the context of Steps 2 to 4. The scenarios should be included in the model.

Step 7: Provide a final report in hard copy and electronically. Electronic copies of all spread sheets and data source must be also be provided. The report will be a critical communication tool within National Treasury and with respective sector departments/ government agencies. The report should include a summary (1 page) and an executive summary (3 pages). The emphasis of the report will be the management implications and it should inform choices and decisions available to departments. A description of the model and manual on using (navigating) it are to be included as annexures. The final report should also be accompanied by a power point presentation that can be used to present the model and report. The consulting team may be required to make a presentation on their performance expenditure review to the relevant department or stakeholder groups.

Service providers are encouraged to review some of the PERs the reports of which are available at www.GTAC.gov.za before submitting a tender.

4.3 Project Management

The service provider will report to GTAC represented by Head of PEPA or a designated official.

The service provider will operate at its own office accommodation and will have access to the required information technology, telephony and transport.

It is expected that the successful service provider will submit any documentation and reports as required by this TOR to the project manager

5 The Expected Outputs and Outcomes

5.1 Outputs

- Log Frame in Microsoft Excel format.
- Expenditure Analysis in Microsoft Excel format
- Cost Model in Microsoft Excel Format
- Final Report in Microsoft Word format
- A Microsoft Power Point presentation

5.2 Outcomes

Improved resource allocation and policy decision making.

6 Required Expertise

The PER cannot be completed by a single individual but will require an effort from a dedicated team consisting of individuals with a range of skills. These expert consultants should hold appropriate and relevant to the ToRecognised national tertiary qualifications.

This assignment will traverse more than one discipline and it is unlikely that the required skills will reside in a single individual. Consortia, Joint Venture and Sub Contract arrangements will be accepted and are encouraged.

	Activity	Duration days	Level of effort days	**Rate of Utilisationf	*Allocated person
Step 1a	Inception Meeting	0.75	1,8	80%	3
Step 1b	Institutional Analysis	2	6	100%	3
Step 2	Programme elements workshop	1	3	100%	3
	Methodology Workshop	1	3	100%	3
	Programme Analysis and data gathering	20	15	50%	3
Step 3	Performance analysis	5	3,5	66%	1
Step 4	Expenditure Analysis	20	20	50%	2
Step 5	Cost Model	20	20	50%	2
Step 6	Savings Identification	5	5	50%	2
Step 7	Report Preparation	20	15	75%	2
Total level effort in persons days			92,3		
<p>*Allocated persons - all team members will not be engaged on each step at 100% of their effort. **Rate of utilisation - not all persons allocated to an activity will be engaged in the activity for the 100% for the full duration of the activity. The level of effort is therefore adjusted.</p>					

6.1 Expertise

- (i) Relevant sector knowledge and experience.
- (ii) Understanding of:
 - the PFMA (Act 1, 1999),
 - MTEF and public sector budget process,
 - the workings of government's BAS.
- (iii) Evidence of appropriate consulting experience.
- (iv) Advanced Microsoft Excel analytical and model development skills.
- (v) English report writing skills.
- (vi) Box 1 provides an illustrative level of effort used to inform the methodology.
- (vii) Respondents are not bound by this level of effort. **Consultants are required to determine the level of effort that they will require to complete the assignment.** The process as outlined above, may, be changed in consultation with the project manager. Further allowance should be made for data collection if it is determined that additional data is available.

6.2 Special Requirements

- (i) Payment for PER work will be made on the following milestones:
 - a. 20% on successful completion of step 3 in the methodology
 - b. 15% on successful completion of step 4 in the methodology
 - c. 15% on successful completion of step 5 in the methodology

d. 50% on successful completion of step 7 in the methodology

(ii) Payment will only be triggered by the successful evaluation of the PER deliverable by the steering committee in terms of the quality of work produced at each milestone.

7 Report/s and Evaluation

7.1 Report/s

Provide weekly progress reports to the project manager.

If so requested by the Project Manager, the successful bidder must be prepared to allow an official from Treasury to shadow the analytical process of steps 2 to 6 at the workspace of the company.

7.2 Evaluation

The proposal will be evaluated on a 90/10 basis.

Only proposals that score above 70% in terms of functionality will be evaluated for price and B-BEE. The following criteria will be used to evaluate each proposal in terms of functionality.

Evaluation Criteria	Weight	Scoring Criteria
1. Public sector experience of the team leader	8	5 = > 10 years 4 = >8-10 years 3 = 8 years 2 = 6-7 years 1 = < 6 years
1. Public sector experience of the team	7	5 = > 10 years 4 = >8-10 years 3 = 8 years 2 = 6-7 years 1 = < 6 years
2. Technical analytical capacity specifically with regard to data analysis and cost model preparation.	15	5 = Specific Modelling, data analysis and BAS dedicated resource 4 = Modelling and data analysis dedicated resource 3 = Data analysis or modelling resource 2 = Modelling and data analysis within team (not dedicated) 1 = Nonspecific data analysis and model building capacity
3. Understanding of the TOR and overall quality of proposal.	10	5 = Excellent 4 = Good 3 = Acceptable 2 = Fair 1 = Poor.
4. Demonstrated ability and understanding of programme design methodology. (Step 2&3)	15	5 = Excellent 4 = Good 3 = Acceptable 2 = Fair 1 = Poor.
5. Demonstrated ability and understanding of expenditure methodology. (Step 4&5)	20	5 = Excellent 4 = Good 3 = Acceptable 2 = Fair 1 = Poor.

6. Demonstrated ability and understanding of saving methodology. (Step 6)	10	5 = Excellent 4 = Good 3 = Acceptable 2 = Fair 1 = Poor.
7. Depth of understanding of the sector/service.	15	5 = Excellent 4 = Good 3 = Acceptable 2 = Fair 1 = Poor.

8 Logistics and Schedule of the Assignment

8.1 Location where the Services are required

It is anticipated that most meetings and activities will occur in Pretoria at 240 Madiba street, but consultants should make provision for two meetings to be conducted at the offices of one or another of the provincial treasuries

Data collection may require travel to different locations.

8.2 Time Frame

Bid issued	24 February 2017
Closing date	17 March 2017; 11h00
Award	19 April 2017
Inception Meeting	2-12 May 2017
Project Close out	31 November 2017

8.3 Disclaimers

GTAC reserves the right to not appoint service providers. GTAC reserves the right to appoint more than one service provider for selected aspects of the project should a single service provider not address all the components required.

PROJECT SCOPE STATEMENT

PROJECT NAME: Costing the implications of the Disaster Management Act (Act 57 of 2002, as ammended) and providing a comparative spending review of local and district disaster management centres and fire services	PROJECT ACRONYM OR NO.: Disaster Management Centre's (PN 730 – I DMC)	
CLIENT: Government Technical and Advisory Services		
PROJECT SPONSOR: Malijeng Ngqaleni		
PROJECT MANAGER: Karen Hague	TARGET STARTING DATE: 4 May 2017	TARGET COMPLETION DATE: 131 November 2017
PROJECT SCOPE		
PROJECT PURPOSE		
To provide comparative financial data on a sample of disaster management centers run and managed by local authorities/metros and to cost the implementation of the Disaster Management Act (57 or 200).		
PROJECT OBJECTIVES		
Key objectives are to: <ul style="list-style-type: none"> • To identify an overview of activities of disaster management centres and fire management, and the costs and budgets (operational and capital) associated therewith • Estimate the costs of implementing the Disaster Management Act • Make recommendations on the funding framework for disaster management activities in local government, including fire management • Provide proposals for amending enabler 3 dealing with funding arrangements for Disaster Management of the National Disaster Management policy framework, which provides for a funding mechanism to reduce the risk of disasters and for post-disaster funding for recovery, rehabilitation and compensation of victims 		
Impacts	Outcomes/outputs	
<ul style="list-style-type: none"> • Increased cost effectiveness of disaster management activities 	<ul style="list-style-type: none"> • Improved budgeting for disaster management • Improved management of disaster management centres 	

PROJECT "IN" AND "OUT" OF SCOPE	
"In" scope	"out" of scope
<ul style="list-style-type: none"> Disaster management centre activities of 18 district municipalities and two local municipalities 	<ul style="list-style-type: none"> Provincial and national disaster management centres Funding of agencies responsible for delivering services in responding to disasters (fire departments, policing, etc.)
ASSUMPTIONS AND CONSTRAINTS	
Assumptions	Constraints
<ul style="list-style-type: none"> Consultants will have to source data directly from the relevant municipalities 	<ul style="list-style-type: none"> It is unclear how comprehensive and reliable relevant data will be at each municipality
DATA	
Will be provided	Consultants to source
<ul style="list-style-type: none"> GTAC, COGTA and the Provincial Treasuries will provide letters of introduction to the consultants to facilitate access to relevant institutions 	<ul style="list-style-type: none"> Municipal financial data
APPROACH AND WORK BREAKDOWN	
<p>Consultants will be responsible for designing the approach to be adopted and the break down of responsibilities, save that this should conform to the expectations set out in the general terms of reference except insofar as this is not feasible.</p>	
DELIVERABLES	
<p>These are set out in the general terms of reference.</p>	

PROJECT SCOPE STATEMENT

PROJECT NAME: Comparative spending review of catering, laundering and security services at provincial and district hospitals (excluding tertiary hospitals)		PROJECT ACRONYM / NO Hospital services PN 730 - a - PHCLS	
CLIENT: Government Technical and Advisory Services			
PROJECT SPONSOR: Malijeng Ngqaleni			
PROJECT MANAGER: Mhleli Mpofu		TARGET START DATE: 8 May 2017	TARGET COMPLETION DATE: 31 November 2017
PROJECT SCOPE			
PROJECT PURPOSE			
The goal of the project is to compare the costs and benefits of providing a range of hospital services directly or by contracting external service providers. The services to be consider are: <ul style="list-style-type: none"> • Catering/kitchen services (including procuring ingredients and food preparation), • Laundry services, and • Security services 			
PROJECT OBJECTIVES			
The project will: <ul style="list-style-type: none"> • Identify the costs of and expenditure on the provision of these services at all hospitals across nine provinces over the period of the financial years 2013/14 to 2015/16 • Compare costs and services across provinces/hospitals and establish benchmarks • Develop a model of the costs of these services, identifying all important cost-drivers and their parameters • Estimate the costs of providing similar services through external contractors 			
Impacts		Outcomes/outputs	
Increase the cost-effectiveness of public spending on hospital services		<ul style="list-style-type: none"> • Data, analysis and cost model used to improve decision-making and resource-allocation • Increased efficiency on identified services 	
PROJECT "IN" AND "OUT" OF SCOPE			
"In" scope		"out" of scope	
All expenditure on three identified in-hospital services		Other outsourced/contracted expenditure within hospitals	
ASSUMPTIONS AND CONSTRAINTS			
Assumptions		Constraints	
<ul style="list-style-type: none"> • Consultants will be able to use BAS and other systems to obtain appropriate data. • A sample of hospitals will be visited to obtain additional data 		BAS and Persal data may lack sufficient detailed data to identify and track expenditure accurately and comprehensively	

DATA	
Will be provided	Consultants to source
<ul style="list-style-type: none"> • GTAC will provide all available BAS and Persal data • GTAC and the provincial treasuries will provide letters of introduction to consultants to facilitate access to hospitals' financial managers 	Detailed hospital budget and expenditure data
APPROACH AND WORK BREAKDOWN	
Consultants will be responsible for designing the approach to be adopted and the break-down of responsibilities, save that this should conform to the expectations set out in the general terms of reference except insofar as this is not feasible.	
DELIVERABLES	
These are set out in the general terms of reference.	

PROJECT SCOPE STATEMENT

PROJECT NAME: Comparative spending review of provincial nature reserves and avenues for possible cost recovery		PROJECT ACRONYM OR NO.: Provincial nature reserves (PN 730 - h PNR)	
CLIENT: Government Technical and Advisory Services			
PROJECT SPONSOR: Malijeng Ngqaleni			
PROJECT MANAGER: Antony Altbeker		TARGET STARTING DATE: 3 May 2017	TARGET COMPLETION DATE: 31 November 2017
PROJECT SCOPE			
PROJECT PURPOSE			
To estimate and assess both the costs of, and revenues generated by, the operation of provincial parks services			
PROJECT OBJECTIVES			
The project will: <ul style="list-style-type: none"> • Identify and document all the costs of, and revenues generated by, provincial parks over the period 2013/14 to 2015/16 • Identify and document trends in the costs and revenues of provincial parks • Identify and model the impact of key cost and revenue drivers affecting provincial parks • Identify proposals for reducing costs and increasing revenues from provincial parks and assess their feasibility. 			
Impacts		Outcomes/outputs	
Improved sustainability of SA's network of nature reserves		<ul style="list-style-type: none"> • Improved financial performance of the provincial parks • Improved financial and operational management of provincial parks 	
PROJECT "IN" AND "OUT" OF SCOPE			
"In" scope		"Out" of scope	
Provincially managed and declared nature reserves		<ul style="list-style-type: none"> • Local government nature reserves 	

ASSUMPTIONS AND CONSTRAINTS	
Assumptions	Constraints
<p>Consultants will be able to source significant and recent data on the financial performance of provincial parks from:</p> <ul style="list-style-type: none"> • Annual reports of relevant departments/entities • Budget books of the various departments of economic development, environment and tourism 	<p>It is unclear how comprehensive, accurate and up-to-date centralised data on the financial performance of provincial parks are. To the extent that these are deficient, consultants will have to gather data at source.</p>
DATA	
Will be provided	Consultants to source
<p>GTAC and Provincial Treasuries will provide letters of introduction to facilitate the gathering of financial and other data from the provincial parks</p>	<p>Qualitative and quantitative data on constraints affecting the ability of parks' management to manage costs or raise revenue</p>
APPROACH AND WORK BREAKDOWN	
<p>Consultants will be responsible for designing the approach to be adopted and the breakdown of responsibilities, save that this should conform to the expectations set out in the general terms of reference except insofar as this is not feasible.</p>	
DELIVERABLES	
<p>These are set out in the general terms of reference.</p>	

PROJECT SCOPE STATEMENT

PROJECT NAME: Cost implications of implementing the decision on the funding of NGOs in provinces following National Association of Welfare and Non Government Organisations (NAWONGO) Court Judgement	PROJECT ACRONYM OR NO.: NAWONGO PN 730 - c NAWONGO	
CLIENT: Government Technical and Advisory Services		
PROJECT SPONSOR: Malijeng Ngqaleni		
PROJECT MANAGER: Robert Clifton	TARGET START DATE: 9 May 2017	COMPLETION DATE: 31 November 2017
PROJECT SCOPE		
PROJECT PURPOSE		
The project will assess the fiscal implications for the rest of the provinces of implementing the decision of the Free State High court in recent litigation relating to the funding of NGOs (the NAWONGO judgment)		
PROJECT OBJECTIVES		
The project will: <ul style="list-style-type: none"> • Assess the quality of the completed costing model provided to Free State government and to the courts, recognizing data limitations • Provide a succinct analysis of the main cost drivers and overall cost implications • Based on the assessment of the work, provide an understanding of the cost implications for other provinces 		
Impacts	Outcomes/outputs	
A financially sustainable NGO sector	Government is able budget for NGO funding that complies with court rulings	
PROJECT "IN" AND "OUT" OF SCOPE		
"In" scope	"out" of scope	
<ul style="list-style-type: none"> • An assessment of existing work • Analysis of cost implications for other provinces • Proposals on fiscal implications for other provinces 	<ul style="list-style-type: none"> • Costing all services delivered by departments of social development through the NGO sector 	

ASSUMPTIONS AND CONSTRAINTS	
Assumptions	Constraints
<p>This will be a desk-top study supported by some interviews</p>	<ul style="list-style-type: none"> • Corroboration of the data used in the development of the existing cost model, will have to be done through central data systems BAS and PERSAL. • BAS and Persal data may lack sufficient detailed data and assumptions and extrapolations will have to be clearly explicated
DATA	
Will be provided	Consultants to source
<ul style="list-style-type: none"> • Completed reports that informed Free State provincial government • Costing data provided to Free State government and to the courts • GTAC will provide all available BAS and Persal data • GTAC and the provincial treasuries will provide letters of introduction to consultants 	<ul style="list-style-type: none"> • Data from departments of social development and/or NGOs needed to estimate provincial budgets needed to comply with the judgment
APPROACH AND WORK BREAKDOWN	
<p>Consultants will be responsible for designing the approach to be adopted and the break-down of responsibilities, save that this should conform to the expectations set out in the general terms of reference except insofar as this is not feasible.</p>	
DELIVERABLES	
<p>These are set out in the general terms of reference.</p>	

PROJECT SCOPE STATEMENT

PROJECT NAME: Provincial health services revenue generation		PROJECT ACRONYM / NO.: Health revenue PN 730 - b PHSR	
CLIENT: Government Technical and Advisory Services			
PROJECT SPONSOR: Malijeng Ngqaleni			
PROJECT MANAGER: Robert Clifton		TARGET START DATE: 8 May 2017	TARGET COMPLETION DATE: 31 November 2017
PROJECT SCOPE			
PROJECT PURPOSE			
The goal of the project is to analyze the structure and function of all provincial hospitals' revenue collection systems, as well as the revenues accruing to hospitals from these systems with a view to improving revenue collection			
PROJECT OBJECTIVES			
The project will assess the provincial health revenue systems and services for financial years 2013/14 to 2015/16 by:			
<ul style="list-style-type: none"> • Assessing the performance of revenue systems • Analysing revenue targets and estimations of revenue • Identifying all sources of revenue such as user fees and patient billing • Assessing the extent of the challenge of unpaid patient debt • Identifying the costs of and expenditure on the provision of revenue management services 			
Impacts		Outcomes/outputs	
Improved revenue collection at provincial hospitals		Practical recommendations for the implementation of improved patient billing systems, including: <ul style="list-style-type: none"> • Prompt billing based on uniform patient fee structure 	
PROJECT "IN" AND "OUT" OF SCOPE			
"In" scope		"out" of scope	
<ul style="list-style-type: none"> • Efficacy of: <ul style="list-style-type: none"> • the billing system • the patient verification system • electronic data inter-operability • The appropriateness of technical and human resource capacity dedicated to revenue management 		Other outsourced/contracted expenditure within hospitals	

ASSUMPTIONS AND CONSTRAINTS	
Assumptions	Constraints
Consultants will be able to secure appropriate data (both financial and non-financial) directly from an adequate sample of hospitals to conduct a thorough study	BAS and Persal data may lack sufficient data to identify and track expenditure and revenues accurately and comprehensively A sample of hospitals will have to be visited to collect data
DATA	
Will be provided	Consultants to source
<ul style="list-style-type: none"> • GTAC will provide all available BAS and Persal data • GTAC and the provincial treasuries will provide letters of introduction to consultants to facilitate access to hospitals' financial managers 	Hospital level detailed data that is needed and that is not available on BAS and Persal
APPROACH AND WORK BREAKDOWN	
Consultants will be responsible for designing the approach to be adopted and the break-down of responsibilities, save that this should conform to the expectations set out in the general terms of reference except insofar as this is not feasible.	
DELIVERABLES	
These are set out in the general terms of reference.	

PROJECT SCOPE STATEMENT

PROJECT NAME: Comparative spending review of provincial government office rental accomodation		PROJECT ACRONYM OR NO.: Office rental (PN 730 - f PORA)	
CLIENT: Government Technical and Advisory Services			
PROJECT SPONSOR: Malijeng Ngqaleni			
PROJECT MANAGER: Mhleli Mpofu		TARGET START DATE: 9 May 2017	TARGET COMPLETION DATE: 31 November 2017
PROJECT SCOPE			
PROJECT PURPOSE			
To provide comparative financial data on the provincial government expenditure on the rental of office accommodation and to recommend approaches to reducing expenditure			
PROJECT OBJECTIVES			
Key objectives are to:			
<ul style="list-style-type: none"> • Quantify and analyze expenditure by provincial government on the rental of office accommodation between 2013/14 to 205/16 • To assess value for money by providing relevant comparators for rental costs • To determine the key drivers of rental cost expenditure and escalation (especially insofar as this might diverge from market rates) • To make recommendations for achieving greater value for money in expenditure on rented office accommodation 			
Impacts		Outcomes/outputs	
<ul style="list-style-type: none"> • Increase the cost-effectiveness and sustainability of provincial government expenditure 		<ul style="list-style-type: none"> • Recommendations to mitigate and reduce cost pressures in office rental 	
PROJECT "IN" AND "OUT" OF SCOPE			
"In" scope		"out" of scope	
<ul style="list-style-type: none"> • 9 provinces' expenditure on office accommodation rental 		<ul style="list-style-type: none"> • National departments' expenditure • Local authorities' expenditure • Expenditure by provinces on the rental of agricultural land, school buildings, etc. 	
ASSUMPTIONS AND CONSTRAINTS			
Assumptions		Constraints	
It will be possible to draw a random sample of leases from each province to test cost drivers		It is unclear how comprehensive and reliable relevant data will be	

DATA	
Will be provided	Consultants to source
<ul style="list-style-type: none"> • GTAC will provide the consultants with comprehensive data from BAS • GTAC and the provincial treasuries will provide letters of introduction to the consultants to facilitate access to relevant institutions 	<p>Consultants will have to source much of the lease-level data from provincial governments (especially the relevant departments of public works)</p>
APPROACH AND WORK BREAKDOWN	
<p>Consultants will be responsible for designing the approach to be adopted and the break down of responsibilities, save that this should conform to the expectations set out in the general terms of reference except insofar as this is not feasible.</p>	
DELIVERABLES	
<p>These are set out in the general terms of reference.</p>	

PROJECT SCOPE STATEMENT

PROJECT NAME: Comparative spending review of provincial road expenditure		PROJECT ACRONYM OR NO.: PN 730 - e PRE	
CLIENT: Government Technical and Advisory Services			
PROJECT SPONSOR: Malijeng Ngqaleni			
PROJECT MANAGER: Antony Altbeker		TARGET START DATE: 3 May 2017	TARGET COMPLETION DATE: 31 November 2017
PROJECT SCOPE			
PROJECT PURPOSE			
To provide comparative financial data on the provincial government expenditure on road construction and maintenance			
PROJECT OBJECTIVES			
Key objectives are to: <ul style="list-style-type: none"> • Quantify and analyze expenditure by provincial government on the construction and maintenance of provincial roads between 2013/14 to 2015/16 • To assess value for money by identifying relevant metrics of comparative expenditure across provinces depending on project/road specifications, as well as between provincial spending and spending by SANRAL • To determine the key drivers of expenditure and expenditure growth on provincial road construction and maintenance • To make recommendations for achieving greater value for money. 			
Impacts		Outcomes/outputs	
<ul style="list-style-type: none"> • Increase the quality of roads and reduce transport costs to users • Increase the cost-effectiveness and sustainability of provincial government expenditure 		<ul style="list-style-type: none"> • Costing model to assess benchmark costs for road projects • Improved prioritization, costing and management of road projects 	
PROJECT "IN" AND "OUT" OF SCOPE			
"In" scope		"Out" of scope	
<ul style="list-style-type: none"> • 9 provinces' expenditure on road projects 		<ul style="list-style-type: none"> • Expenditure on roads falling under the jurisdiction of national or local spheres of government 	

ASSUMPTIONS AND CONSTRAINTS	
Assumptions	Constraints
It will be possible to draw a random sample of comparable road project tenders/contracts from each province to test cost drivers and establish comparative costs	It is unclear how comprehensive and reliable relevant data will be, and alternative strategies might have to be developed
DATA	
Will be provided	Consultants to source
<ul style="list-style-type: none"> • GTAC will provide the consultants with comprehensive data from BAS • GTAC and the provincial treasuries will provide letters of introduction to the consultants to facilitate access to relevant institutions 	Consultants will have to source much of the project-level data from provincial governments
APPROACH AND WORK BREAKDOWN	
Consultants will be responsible for designing the approach to be adopted and the breakdown of responsibilities, save that this should conform to the expectations set out in the general terms of reference except insofar as this is not feasible.	
DELIVERABLES	
These are set out in the general terms of reference.	

PROJECT SCOPE STATEMENT

PROJECT NAME: Comparative spending review of provincial government housing rental stock		PROJECT ACRONYM OR NO.: Rental stock PN 730 - g GHRS	
CLIENT: Government Technical and Advisory Services			
PROJECT SPONSOR: Malijeng Ngqaleni			
PROJECT MANAGER: Vinod Singh		TARGET START DATE: 5 May 2017	TARGET COMPLETION DATE: 31 November 2017
PROJECT SCOPE			
PROJECT PURPOSE			
To provide data and analysis on the costs and revenues associated with provincial governments' renting of state-owned residential properties to private tenants			
PROJECT OBJECTIVES			
Key objectives are to: <ul style="list-style-type: none"> • To identify and quantify all costs and revenues associated with the management of state-owned residential rental properties by nine provincial governments over the period 2013/14 to 2015/16. • Identification of strengths and weaknesses of data regarding lease and rentals, and assessment of the reliability and comprehensiveness of existing data • Estimation of the gap between rentals charged by government and the relevant market-related rates that could be obtained for similar property • Identify weaknesses in rent-collection systems and processes, and make recommendations to reduce these • Make further recommendations to improve the effectiveness and efficiency of property rental processes managed by provincial governments 			
Impacts		Outcomes/outputs	
Improved financial sustainability		<ul style="list-style-type: none"> • Improved revenue collection • Reduced collection costs • Reduced debtors book, and improved time profile of outstanding debt 	
PROJECT "IN" AND "OUT" OF SCOPE			
"In" scope		"out" of scope	
All residential property owned by provincial government (freehold, semi-detached, flats) that is rented out		<ul style="list-style-type: none"> • Commercial land and property • Agricultural land and property • Municipal-owned land and property • Land and property for which the national department of public works is the custodian 	

ASSUMPTIONS AND CONSTRAINTS	
Assumptions	Constraints
Consultants will have to source data on properties, rental agreements, revenues, outstanding debt, the cost of managing provincial property portfolios, etc. from provincial government as no national database exists	It is understood that some provincial property rental management systems are absent or deficient.

DATA	
Will be provided	Consultants to source
GTAC and the provincial Treasuries will provide letters of introduction for the consultants to facilitate access to relevant institutions in provincial governments	<ul style="list-style-type: none"> • Property portfolio data • Financial data relating to all aspects of the management of provincial rental properties
APPROACH AND WORK BREAKDOWN	
Consultants will be responsible for designing the approach to be adopted and the break down of responsibilities, save that this should conform to the expectations set out in the general terms of reference except insofar as this is not feasible.	
DELIVERABLES	
These are set out in the general terms of reference.	

PROJECT SCOPE STATEMENT

PROJECT NAME: Review of the funding systems, mechanisms, and instruments adopted by government in funding for research, development and innovation including an international bench mark analysis	PROJECT ACRONYM OR NO.: RDI (PN 730 – j RDI)
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CLIENT:
 Government Technical and Advisory Services

PROJECT SPONSOR:
 Malijeng Ngqaleni

PROJECT MANAGER: Vinod Singh	TARGET START DATE 5 May 2017	VERSION DATE: 31 November 2017
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PROJECT SCOPE

PROJECT PURPOSE

To produce a model for an evidence-based approach to public funding of RDI in South Africa

PROJECT OBJECTIVES

Key objectives are to:

- Quantify levels of spending/investment and performance in RDI programmes in SA between 2013/13 to 2015/16
- Analyse spending patterns and identify cost drivers across national and provincial governments
- Describe approaches to budgeting and funding, as well as the mechanisms and instruments other countries use to secure sufficient public RDI funding
- Benchmark SA levels of spending and approaches to budgeting and funding against international norms
- Propose an approach to ensuring the efficient allocation of RDI funding to various departments and institutions
- Develop a set of practical performance measures for critical aspects of RDI system
- Make proposals for implementation in the next MTEF

Impacts	Outcomes/outputs
<ul style="list-style-type: none"> Increased impact of RDI spending 	<ul style="list-style-type: none"> More effective allocation of RDI resources Improved performance monitoring of RDI Improved alignment of RDIU spending with national priorities and emerging opportunities
PROJECT "IN" AND "OUT" OF SCOPE	
"In" scope	"out" of scope
<ul style="list-style-type: none"> All national and provincial expenditure on RDI International benchmarks of comparable countries 	<ul style="list-style-type: none"> Study tours, international visits
ASSUMPTIONS AND CONSTRAINTS	
Assumptions	Constraints
Consultants will be able to access expenditure and performance data	Unclear how adequate/available are performance and expenditure data
DATA	
Will be provided	Consultants to source
GTAC, DST and the project steering committee will provide letters of introduction to the consultants to facilitate access to relevant institutions	<ul style="list-style-type: none"> Relevant performance and spending data International benchmarking data
APPROACH AND WORK BREAKDOWN	
Consultants will be responsible for designing the approach to be adopted and the breakdown of responsibilities, save that this should conform to the expectations set out in the general terms of reference except insofar as this is not feasible.	
DELIVERABLES	
These are set out in the general terms of reference.	

PROJECT SCOPE STATEMENT

PROJECT NAME: Comparative spending review of fleet management practices		PROJECT ACRONYM OR NO.: Provincial fleet services (PN 730 -d PFMS)	
CLIENT: Government Technical and Advisory Services			
PROJECT SPONSOR: Malijeng Ngqaleni			
PROJECT MANAGER: Karen Hague		TARGET START DATE: 4 May 2017	TARGET COMPLETION DATE: 31 November 2017
PROJECT SCOPE			
PROJECT PURPOSE			
To determine the short- and long-term costs of managing provincial vehicle fleets			
PROJECT OBJECTIVES			
The objectives of the project are to: <ul style="list-style-type: none"> • Providing baseline data on the vehicle fleets and fleet management costs for all nine provinces for the period 2013/14 to 2014/15 • Identifying expenditure and expenditure trends for all key metrics for fleet management services including maintenance costs (total and per vehicle), rental costs, leasing costs, etc. as well as all operational and management costs • Identifying key drivers of fleet management costs and construction of a model of said costs • Identifying appropriate benchmarks to assess comparative efficiency and effectiveness • Estimate savings relative to outsourcing this function • Identifying steps that could be taken to reduce costs and estimating potential benefit thereof 			
Impacts		Outcomes/outputs	
The rendering of more cost effective fleet management services		<ul style="list-style-type: none"> • Reduction in fleet management costs • Increased availability of vehicles • Provision of a model of fleet management costs 	
PROJECT "IN" AND "OUT" OF SCOPE			
"In" scope		"out" of scope	
<ul style="list-style-type: none"> • All fleet management services in all nine provinces for all vehicles • Costs incurred by all relevant entities 		<ul style="list-style-type: none"> • Fleet management services of national government/departments, including the military and police • Fleet management services of municipal government 	

ASSUMPTIONS AND CONSTRAINTS	
Assumptions	Constraints
Consultants will be able to access relevant data through the appropriate structures in provincial government	It is unclear how centralized data on costs for fleet management services are or whether these contain all relevant data (e.g. in relation to the vehicle particulars and the division of expenditure across different services)
DATA	
Will be provided	Consultants to source
<ul style="list-style-type: none"> • GTAC will provide BAS and Persal data • GTAC and the provincial Treasuries will provide letters of introduction to the consultants to facilitate access to relevant institutions in provincial governments 	<ul style="list-style-type: none"> • Provincial fleet information • Data relating to users of provincial fleet management services
APPROACH AND WORK BREAKDOWN	
Consultants will be responsible for designing the approach to be adopted and the break-down of responsibilities, save that this should conform to the expectations set out in the general terms of reference except insofar as this is not feasible.	
DELIVERABLES	
These are set out in the general terms of reference.	

PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER: BID NO: GTAC 007-2017

CLOSING TIME 11:00 ON 17 MARCH 2017

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

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY INCLUSIVE OF VALUE ADDED TAX
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DESCRIPTION: THE APPOINTMENT OF SERVICE PROVIDERS TO UNDERTAKE A PERFORMANCE AND EXPENDITURE REVIEW WITH RESPECT TO AN IDENTIFIED GOVERNMENT FUNCTION.

1. Services must be quoted in accordance with the attached terms of reference.

ITEM 1 Comparative spending review of catering, laundry and security services at provincial and district hospitals (PN 730 - a - PHCLS)

Total Price (VAT inclusive) for the entire contract period
R

ITEM 2: Provincial health services revenue generation (PN 730 - b PHSR)

Total price for the entire contract period
R

ITEM 3: Cost implications of implementing the decision on the funding of NGOs in following National Association of Welfare and Non Government Organisations (NAWONGO) Court Judgement (PN 730 - c NAWONGO)

Total Price (VAT inclusive) for the entire contract period
R

ITEM 4: Comparative spending review of fleet management practices (PN 730 -d PFMS)

Total Price (VAT inclusive) for the entire contract period
R

ITEM 5: Comparative spending review of provincial road expenditure (PN 730 - e PRE)

Total Price (VAT inclusive) for the entire contract period
R

ITEM 6: Comparative spending review of provincial government office rental accomodation (PN 730 - f PORA)

Total Price (VAT inclusive) for the entire contract period
R

ITEM 7: Comparative spending review of provincial government housing rental stock (PN 730 - g GHRS)

Total Price (VAT inclusive) for the entire contract period
R

ITEM 8: Comparative spending review of provincial nature reserves and avenues for possible cost recovery (PN 730 - h PNR)

Total Price (VAT inclusive) for the entire contract period
R

ITEM 9: Costing the implications of the Disaster Management Act (Act 57 of 2002, as ammended) and providing a comparative spending review of local and district disaster management centres and fire services (PN 730 – i DMC)

Total Price (VAT inclusive) for the entire contract period
R

ITEM 10: Review of the funding systems, mechanisms, and instruments adopted by government in funding for research, development and innovation including an international bench mark analysis (PN 730 – j RDI)

Total Price (VAT inclusive) for the entire contract period
R

Please provide a breakdown cost as indicated above

- 2) Rates applicable should be in line with the hourly rates for consultants issued by the Department of Public Service and Administration (DPSA)
- 3) Period required for commencement with project after acceptance of bid _____
- 4) Are the rates quoted firm for the full period? Yes/No
- 5) If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.

Any enquiries regarding bidding procedures may be directed to –

Department: GTAC

Contact Person: Aletta Mbuyane

Tel: (012) 315 5867

Fax: (012) 315 5900

E-mail address: aletta.mbuyane@gtac.gov.za

Any enquiries regarding technical enquiries may be directed to –

Email address: psp@gtac.gov.za

PLEASE REFER TO THE ATTACHED TERMS OF REFERENCE FOR MORE INFORMATION.

Reference: GTAC: 007-2017

DESCRIPTION: FOR THE APPOINTMENT OF SERVICE PROVIDERS TO UNDERTAKE A PERFORMANCE AND EXPENDITURE REVIEW WITH RESPECT TO AN IDENTIFIED GOVERNMENT FUNCTION

Closing time: 11h00 am

Closing date: Friday 17 MARCH 2017

Non-Compulsory Briefing session: 6 MARCH 2017

Venue: 1st floor 240 Madiba Street at National Treasury

Room number: 103, 1st floor

Place: Pretoria

I N F O R M A T I O N T O B I D D E R S

GTAC007-2017: THE APPOINTMENT OF SERVICE PROVIDERS TO UNDERTAKE A PERFORMANCE AND EXPENDITURE REVIEW WITH RESPECT TO AN IDENTIFIED GOVERNMENT FUNCTION.

INFORMATION TO BIDDERS:

Reference: GTAC: 007-2017

Description: **THE APPOINTMENT OF SERVICE PROVIDERS TO UNDERTAKE A PERFORMANCE AND EXPENDITURE REVIEW WITH RESPECT TO AN IDENTIFIED GOVERNMENT FUNCTION.**

Closing time: 11h00 am

Closing date: Friday 17 March 2017

1. CONTENTS OF THE BIDDER PACK

Tender Pack Doc.	Title	Type	Purpose
1	Information to Bidders	pdf	For Information
2	Terms of reference	pdf	LTA Requirements
3	Terms of reference compliance table	MS Word	For completion on the MS Word Form as provided.
4	SCM SBD 1 – Invitation to bid	pdf	To be printed, filled in by hand and signed.
5	SCM SBD 2 – Tax clearance certificate requirements	pdf	For Information
6	SCM SBD 4 – Declaration of interest	pdf	To be printed, filled in by hand and signed.
7	SCM SBD 6.1 - B-BBEE declaration	pdf	To be printed, filled in by hand and signed.
8	SCM SBD 8 - Declaration of bidder's past supply chain management practices	pdf	To be printed, filled in by hand and signed.
9	SCM SBD 9 - Certificate of independent bid determination	pdf	To be printed, filled in by hand and signed.
10	SCM SBD 3.3 pricing schedule must be submitted before the closing date of the bid	pdf	Information requirement

GTAC007-2017: THE APPOINTMENT OF SERVICE PROVIDERS TO UNDERTAKE A PERFORMANCE AND EXPENDITURE REVIEW WITH RESPECT TO AN IDENTIFIED GOVERNMENT FUNCTION.

2. INSTRUCTIONS FOR COMPLETION AND SUBMISSION OF BIDS

This bid and all contracts emanating there from will be subject to the General Conditions of Contract issued in accordance with of the Treasury Regulations 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 prevail

2.1 COMPLETION OF BIDS

2.1.1 Bids may be submitted by individuals or companies for one of their individuals.

2.1.2 In the case of a company, certified copies of registration documents from the Companies and Intellectual Property Commission must be included.

2.1.3 Bidders are advised that, to facilitate an efficient evaluation process, the:

2.1.3.1 Bid should be as prescribed, concise and written in plain English;

2.1.3.2 Terms of Reference Compliance Table must be in accordance with the format provided; and

2.1.3.3 CV must be in accordance with the format provided.

2.2 CLARIFICATIONS

2.2.1 Requests for clarification must be made in writing by e-mail to psp@gtac.gov.za

2.2.2 Requests for clarification will be accepted by GTAC up until 16:00 on 13 March 2017

2.2.3 The submission reference [GTAC: 007/2017] should be mentioned in the email.

2.2.4 Telephonic requests for clarification will not be accepted.

2.2.5 GTAC will respond to the requests by 11:00 am on 14 March 2017. The clarifications will be made available to all applicants by a notification on the following websites:

https://www.gtac.gov.za/Pages/Advertised_Tenders.aspx

<http://www.treasury.gov.za/tenderinfo/GTAC/tenders.aspx>/tender e-portal

3 EVALUATION PROCESS

3.1 The evaluation process comprises the following phases:

3.1.1 Phase I: Initial screening process

During this phase bid documents will be reviewed to determine compliance with tax matters and whether valid tax clearance certificates and Central Supplier Database (csd) have been submitted with the bid documents at closing date and time of bid.

GTAC007-2017: THE APPOINTMENT OF SERVICE PROVIDERS TO UNDERTAKE A PERFORMANCE AND EXPENDITURE REVIEW WITH RESPECT TO AN IDENTIFIED GOVERNMENT FUNCTION.

3.1.2 A GTAC evaluation committee will screen bidders for compliance with the administrative requirements of the bid:

Step	Administrative Requirements	Check
1	Master bid document	Provided and bound
2	Four copies of the Bid document	Provided and bound
Included in the bid document		
3	SCM SBD 1	Completed and signed
4	Tax clearance certificate and csd registration number	Provided and valid
5	SCM SBD 4	Completed and signed
6	SCM SBD 6.1	Completed and signed
7	SCM SBD 8	Completed and signed
8	B-BBEE Certificate if applicable	Provided and valid
9	SCM SBD 9	Completed and signed
10	Certified proof of company registration	Provided and certified
11	Terms of reference compliance table	Provided
12	CV	Provided
13	Certified copy of academic qualifications	Provided and certified
14	SCM SBD 3.3 pricing schedule must be submitted before the closing date of the bid	Completed and signed

GTAC reserves the right to reject applications that are not submitted in the prescribed format or where the information presented is illegible or incomplete.

3.1.3 Phase II: Functionality evaluation as per attached Terms of Reference

- a. Bids will be evaluated strictly according to the bid evaluation criteria stipulated in this section of the terms of reference. During this stage bidders' responses will be evaluated for functionality based on achieving a minimum score of 70 percent.
- b. Bidders must, as part of their bid documents, submit supportive documentation for all technical requirements as indicated hereunder. The panel responsible for scoring the respective bids will evaluate and score all bids based on their submissions and the information provided.
- c. Bidders will not rate themselves, but need to ensure that all information is supplied as required. The Bid Evaluation Committee (BEC) will evaluate and score all responsive bids and will verify all documents submitted by the bidders.
- d. The panel members will individually evaluate the responses received against the following criteria as set out below.

GTAC007-2017: THE APPOINTMENT OF SERVICE PROVIDERS TO UNDERTAKE A PERFORMANCE AND EXPENDITURE REVIEW WITH RESPECT TO AN IDENTIFIED GOVERNMENT FUNCTION.

3.1.4 Phase III: Interview as per evaluation process

Interviews may be conducted with the recommended bid to verify and clarify the issues around this bid.

3.1.5 Phase IV: Price evaluation as per PPPFA

- a) The Price will be evaluated as per paragraph 5 indicated below.
- b) Price/ Financial proposals must be submitted in South African Rand.
- c) GTAC reserves the right to negotiate rates submitted by bidders.

4 EVALUATION CRITERIA:

4.1 FUNCTIONALITY EVALUATION CRITERIA

Evaluation process will be conducted in accordance with the mandatory requirements, technical suitability and the provision of the PPPFA as specified in the bid. The evaluation criteria and scoring will be tailored to respond to the requirements of the bidder as identified in the ToR and Annexure B:

The panel members will individually evaluate the responses received against the following criteria as set out below: GTAC reserves the right to not appoint service providers. GTAC reserves the right to appoint more than one service provider for selected aspects/topics of the project should a single service provider not address all the components required. The technical evaluation of each topic (from (i) to (x)) as per paragraph 2.2 of the TOR will be carried out as per evaluation criteria stipulated below:

Technical evaluation criteria Failure to meet a minimum total technical threshold of 75% will result in disqualification of bidder.	Weight	Scoring
1. Public sector experience of the team leader	5 = > 10 years 4 = >8-10 years 3 = 8 years 2 = 6-7 years 1 = < 6 years	8
1. Public sector experience of the	5 = > 10 years	7

GTAC007-2017: THE APPOINTMENT OF SERVICE PROVIDERS TO UNDERTAKE A PERFORMANCE AND EXPENDITURE REVIEW WITH RESPECT TO AN IDENTIFIED GOVERNMENT FUNCTION.

team	4= >8-10 years 3 =8 years 2= 6-7 years 1 = < 6 years	
2. Technical analytical capacity specifically with regard to data analysis and cost model preparation.	5 = Specific Modelling, data analysis and BAS dedicated resource 4 = Modelling and data analysis dedicated resource 3 = Data analysis or modelling resource 2 = Modelling and data analysis within team (not dedicated) 1 = Nonspecific data analysis and model building capacity	15
3. Understanding of the TOR and overall quality of proposal.	5 = Excellent 4 = Good 3 = Acceptable 2 = Fair 1 = Poor.	10
4. Demonstrated ability and understanding of programme design methodology. (Step 2&3)	5 = Excellent 4 = Good 3 = Acceptable 2 = Fair 1 = Poor.	15
5. Demonstrated ability and understanding of expenditure methodology. (Step 4&5)	5 = > 10 years 4= >8-10 years 3 =8 years 2= 6-7 years 1 = < 6 years	20
6. Demonstrated ability and understanding of saving methodology. (Step 6)	5 = Excellent 4 = Good	10

GTAC007-2017: THE APPOINTMENT OF SERVICE PROVIDERS TO UNDERTAKE A PERFORMANCE AND EXPENDITURE REVIEW WITH RESPECT TO AN IDENTIFIED GOVERNMENT FUNCTION.

	3 = Acceptable 2 = Fair 1 = Poor.	
7. Depth of understanding of the sector/service.	5 = Excellent 4 = Good 3 = Acceptable 2 = Fair 1 = Poor.	15
Total	100	
Minimum Threshold (Failure to meet this threshold will disqualify the bid)		70%

- 4.2. Each panel member will rate each individual criterion on the score sheet using the following scale:
- 1 – Poor; 2 – Below Average, 3-Good, 4-Very Good, 5-Excellent**
- 4.3 Individual value scores will be multiplied with the specified weighting for the criterion to obtain the marks scored for all elements. These marks will be added and expressed as a fraction of the best possible score for all criteria. This score will be converted to a percentage and only bidders that have met or exceeded the minimum threshold of 70% for functionality will be evaluated and scored in terms of pricing and socio-economic goals as indicated hereunder.
- 4.4 Any proposal not meeting a minimum score of 70% functionality proposal will be disqualified and the financial proposal will remain unopened
- 4.5 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.
- 4.6 This score will be converted to a percentage and **only** bidders that have met or exceeded the minimum threshold of 70 percent for functionality will be evaluated and scored in terms of pricing and socio economic goals as indicated hereunder.

5 EVALUATION CRITERIA

- a. In terms of regulation 5 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 for Broad-Based Black economic empowerment in terms of which points are awarded to bidders on the basis of:
- The bid price (maximum 90 points)
 - Broad-based black Economic Empowerment as well as specific goals (maximum 10 points)
- b. The following formula will be used to calculate the points for price in respect of bidders with a Rand value above R1 000 000:

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

Where

P_s = Points scored for comparative price of bid under consideration

P_t = Comparative price of bid under consideration

P_{\min} = Comparative price of lowest acceptable bid

A maximum of 10 points may be awarded to a bidder for being a Broad-Based Black Economic Empowerment and/or subcontracting with a Broad-Based Black Economic Empowerment stipulated in the Preferential Procurement regulations. For this bid the maximum number of Broad-based black Economic Empowerment status that could be allocated to a bidder is indicated in paragraph 5.1.

- c. The State reserves the right to arrange contracts with more than one contractor.
- d. It is the Government's intention to promote the following Broad-Based Black Economic Empowerment with this bid, and the points to be allocated are indicated against each level of contributor:

5.1 POINTS

The Preferential Procurement Policy Framework Act 2000 (PPPFA) Regulations were gazetted on 8 June 2011 (No. 34350) and effective from 7 December 2011. These regulations require bidders to submit valid original or certified copies of their B-BBEE Status Level Certificates from a SANAS accredited verification agency and accredited Auditing firm, the 90/10 preference

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points systems will be applied in accordance with the formula and applicable points provided for in the respective status level contributor tables in the Regulations.

B-BBEE Status Level of Contributor	Number of points (90/10 system)
1	10
2	9
3	8
4	5
5	4
6	3
7	2
8	1
Non-complaint contributor	0

Failure to capture the required status level and to submit the required B-BBEE status level certificates will lead to a zero (0) status level for non-compliant service providers.

- a. The points scored by a bidder in respect of the points indicated above will be added to the points scored for price.
- b. Bidders are requested to complete the various preference claim forms in order to claim preference points.
- c. Only a bidder who has completed and signed the declaration part of the preference claim form will be considered for B-BBEE status.
- d. Supply Chain Management may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to B-BBEE status.
- e. Points scored will be rounded off to the nearest 2 decimals.
- f. 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 points for B-BBEE status. Should two or more bids be equal in all respects, the award shall be decided by drawing of lots.
A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.

The bidder must submit copies of identity documents of all directors or shareholders of the company with the bid documents at the closing date and time of the bid.

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6 MANDATORY REQUIREMENTS

The bidder must submit copies of identity documents of directors or shareholders of the company who will be responsible for this project with the bid documents at the closing date and time of the bid, and failure to do so your bid may not be considered.

The bidder must submit certified copies of academic qualifications of the resource/s who will be responsible for this project with the bid documents at the closing date and time of the bid.

SCM SBD 3.3 pricing schedule/financial proposal must be submitted before the closing date of the bid. Failure to comply with this requirement you bid will be disqualified.

7 TAX CLEARANCE CERTIFICATE

A 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, where consortium/joint ventures/sub-contractor are involved each party to the association must submit a separate valid Tax Clearance Certificate or Registration number from Central Supplier Database (csd) must be provided with this bid.

8 VALUE ADDED TAX

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

9 REGISTRATION

Latest proof of company registration from Companies and Intellectual Property Commission (CIPC) must be submitted in the form of certified copies of the relevant registration documents

10 CLIENT BASE

- 10.1 Bidders must have specific experience and submit at least four recent references (in a form of written proof (s) on their company's letterhead including relevant person (s), telephone, fax numbers and e-mails) of similar work undertaken.
- 10.2 GTAC reserves the right to contact references during the evaluation and adjudication process to obtain information.

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11 LEGAL IMPLICATIONS

Successful service providers must be prepared to enter into a service level agreement with the GTAC.

The GTAC reserves the right to award this bid on a non-exclusive basis, i.e. GTAC may procure similar services outside this bid with the view of securing the best service and value for money.

12. COMMUNICATION

Professional Services Procurement (PSP) within GTAC will communicate with bidders for, among others, where bid clarity is sought, to obtain information or to extend the validity period. Any communication either by facsimile, letter or electronic mail or any other form of correspondence to any government official, department or representative of a testing institution or a person acting in an advisory capacity for the National Treasury in respect of this bid between the closing date and the award of the bid by the bidder is prohibited.

13. COUNTER CONDITIONS

Bidders' attention is drawn to the fact that amendments to any of the Information to bid by bidders will result in invalidation of such bids.

14. PROHIBITION OF RESTRICTIVE PRACTICES

- a. In terms of section 4(1) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder(s) is/ are or a contractor(s) was/were involved in:
- directly or indirectly fixing a purchase or selling price or any other trading condition;
 - dividing markets by allocating customers, suppliers, territories or specific types of goods or services; or
 - collusive bidding.
- b. If a bidder(s) or contractor(s), in the judgment of the purchaser, has/have engaged in any of the restrictive practices referred to above, the purchaser may, without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered or terminate

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the contract in whole or in part and 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.

15. FRONTING

- a. 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.
- b. 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.

16. INTERVIEWS

GTAC may require interviews from recommended bid as part of the bid process.

17. TIMEFRAMES AND FORMAL CONTRACT

Successful bidder(s) will be required to enter into formal contract with the National Treasury.

18. PACKAGING OF BID

The bidder shall place both the sealed Technical Proposal and Price/ Financial Proposal envelopes into an outer sealed envelope or package, and must be clearly marked as follows:

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18.1 FUNCTIONALITY PROPOSAL

18.1.1 The bid submission must include five individually bound documents:

18.1.2 The originally signed and bound master document; and

18.1.3 Five individually bound copies of the master document. The bid document must include the following;

Sequence	Document Title
1	SCM SBD 1
2	Original Tax clearance certificate and csd registration number
3	SCM SBD 4
4	SCM SBD 6.1
5	SCM SBD 8
6	B-BBEE Certificate if applicable
7	SCM SBD 9
8	Certified proof of company registration
9	Terms of reference compliance table
10	Detailed CV
11	Certified copy of academic qualifications
12	Pricing Proposal must be submitted

18.2 The bid shall not include any other documentation (eg. Annual reports, brochures).

18.3 The bid shall be enclosed in a sealed envelope.

18.4 The envelope is to be addressed as follows:

Tender:	DESCRIPTION: THE APPOINTMENT OF SERVICE PROVIDERS TO UNDERTAKE A PERFORMANCE AND EXPENDITURE REVIEW WITH RESPECT TO AN IDENTIFIED GOVERNMENT FUNCTION
No:	GTAC: 007-2017
Submission closing date:	Friday 17 March 2017
Submission closing time:	11:00 am
Name of bidder:	
Contact number of bidder:	
Address of bidder:	

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18.5 PRICE/ FINANCIAL PROPOSAL

Description: GTAC007-2017: Appointment of service providers to undertake a Performance and Expenditure Review with respect to an identified government function.

Bid closing date and time: 17 March 2017 at 11h00

Name and address of the bidder:

In this envelope, the bidder shall provide the price/ financial proposal.

19 CONTACT DETAILS

Professional Services Procurement, 24th floor at GTAC,

Private Bag x 115, Pretoria, 0001

Physical address: 240 Madiba Street (Vermeulen), Pretoria

For General enquiries: Aletta Mbuyane/Sanele Msomi, tel: 012-315-5867/012 315 5572,

For Technical enquiries before 17 March 2017: psp@gtac.gov.za

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2011

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, 2011.

1. GENERAL CONDITIONS

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

- the 90/10 system for requirements with a Rand value above R1 000 000 (all applicable taxes

1.2 The value of this bid is estimated to be more than R1 000 000 (all applicable taxes included) and therefore the 90/10 system shall be applicable.

1.3 Preference points for this bid shall be awarded for:

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

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

	POINTS
1.3.1.1 PRICE	90
1.3.1.2 B-BBEE STATUS LEVEL OF CONTRIBUTION	10
Total points for Price and B-BBEE must not exceed	100

1.4 Failure on the part of a bidder to fill in and/or to sign this form and submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS) or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or an Accounting Officer as contemplated in the Close Corporation Act (CCA) together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

1.5 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

- 2.1 **“all applicable taxes”** includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- 2.2 **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- 2.3 **“B-BBEE status level of contributor”** means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- 2.4 **“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 services, works or goods, through price quotations, advertised competitive bidding processes or proposals;
- 2.5 **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- 2.6 **“comparative price”** means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration;
- 2.7 **“consortium or joint venture”** 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;
- 2.8 **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;
- 2.9 **“EME”** means any enterprise with an annual total revenue of R5 million or less .
- 2.10 **“Firm price”** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 2.11 **“functionality”** means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;
- 2.12 **“non-firm prices”** means all prices other than “firm” prices;
- 2.13 **“person”** includes a juristic person;
- 2.14 **“rand value”** means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;
- 2.15 **“sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
- 2.16 **“total revenue”** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette* on 9 February 2007;
- 2.17 **“trust”** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and

- 2.18 “trustee” means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

3. ADJUDICATION USING A POINT SYSTEM

- 3.1 The bidder obtaining the highest number of total points will be awarded the contract.
- 3.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts;.
- 3.3 Points scored must be rounded off to the nearest 2 decimal places.
- 3.4 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 3.5 However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest score for functionality.
- 3.6 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

4. POINTS AWARDED FOR PRICE 2010 PREFERENCE POINT SYSTEMS

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

90/10

$$Ps90\left(1 - \frac{Pt - Pmin}{Pmin}\right)$$

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

5. Points awarded for B-BBEE Status Level of Contribution

- 5.1 In terms of Regulation 5 (2) and 6 (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)
1	10
2	9
3	8
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

- 5.2 Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EMEs with B-BBEE Status Level Certificates.
- 5.3 Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- 5.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 5.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- 5.6 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- 5.7 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.
- 5.8 A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

6. BID DECLARATION

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

7. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.3.1.2 AND 5.1

7.1 B-BBEE Status Level of Contribution: =(maximum of 10 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or an Accounting Officer as contemplated in the CCA).

8 SUB-CONTRACTING

8.1 Will any portion of the contract be sub-contracted? YES / NO (delete which is not applicable)

8.1.1 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? YES / NO (delete which is not applicable)

9 DECLARATION WITH REGARD TO COMPANY/FIRM

9.1 Name of company/firm :

9.2 VAT registration number :

9.3 Company registration number :

9.4 TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One person business/sole propriety
- Close corporation
- Company
- (Pty) Limited

[TICK APPLICABLE BOX]

9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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

9.6 COMPANY CLASSIFICATION

- Manufacturer
- Supplier
- Professional service provider
- Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

9.7 Total number of years the company/firm has been in business?

9.8 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 contribution indicated in paragraph 7 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 paragraph 7, 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 contribution 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) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, 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.

<p>..... SIGNATURE(S) OF BIDDER(S)</p>
--

2.

DATE:.....
 ADDRESS:.....

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

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

Item	Question	Yes	No
4.1	<p>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</p> <p>The Database of Restricted Suppliers now resides on the National Treasury's website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	<p>Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		

4.4	Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		

SBD 8

CERTIFICATION

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

Js365bW

CERTIFICATE OF INDEPENDENT BID DETERMINATION

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

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

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Institution)

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

I certify, on behalf of: _____ that:

(Name of Bidder)

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

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

³ Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

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**GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT**

NOTES

The purpose of this document is to:

- (i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and
- (ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.

- The General Conditions of Contract will form part of all bid documents and may not be amended.
- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

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General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:
 - 1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
 - 1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 "Day" means calendar day.
 - 1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.
 - 1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.
 - 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
 - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
 - 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable.

Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

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

- 2. Application**
- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.
- 3. General**
- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za
- 4. Standards**
- 4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.
- 5. Use of contract documents and information; inspection.**
- 5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.
- 5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.
- 6. Patent rights**
- 6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.
- 7. Performance security**
- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

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

**8. Inspections,
tests and
analyses**

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

supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

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

9. Packing

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

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

10. Delivery and documents

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

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
- (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
- (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

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

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

14. Spare parts

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

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

15. Warranty

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

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

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

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

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

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

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

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

the intended penalty as not objected against and may impose it on the supplier.

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

25. Force Majeure

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security,

damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

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

26. Termination for insolvency

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

27. Settlement of Disputes

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

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

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

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

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

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

28. Limitation of liability

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

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

- (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
- 29. Governing language** 29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
- 30. Applicable law** 30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
- 31. Notices** 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
- 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
- 32. Taxes and duties** 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
- 33. National Industrial Participation Programme (NIP)** 33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.

