

## PART A INVITATION TO BID

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)</b>					
BID NUMBER:	NT003-2018:	CLOSING DATE:	20-04-2018	CLOSING TIME:	11:00 AM
DESCRIPTION	APPOINTMENT OF A PANEL OF SERVICE PROVIDERS TO ASSIST THE INTERNAL AUDIT FUNCTION IN EXECUTING ITS STRATEGIC AND OPERATIONAL PLANS FOR A PERIOD OF THREE (3) YEARS.				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE FOLLOWING ADDRESS:					
<b>TENDER INFORMATION CENTRE (TIC)</b>					
<b>DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)</b>					
<b>240 Madiba Street between</b>					
<b>ABSA and Urban Eatery Restaurant</b>					
<b>SUPPLIER INFORMATION</b>					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
	TCS PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	<input type="checkbox"/> Yes <input type="checkbox"/> No	
IF YES, WHO WAS THE CERTIFICATE ISSUED BY?					
AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA) AND NAME THE APPLICABLE IN THE TICK BOX	<input type="checkbox"/>	AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)			
	<input type="checkbox"/>	A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS)			
	<input type="checkbox"/>	A REGISTERED AUDITOR			
	NAME:				
<b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT(FOR EMEs&amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b>					

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No  [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No  [IF YES ANSWER PART B:3 BELOW ]
SIGNATURE OF BIDDER			DATE
CAPACITY UNDER WHICH THIS BID IS SIGNED (Attach proof of authority to sign this bid; e.g. resolution of directors, etc.)			
TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE (ALL INCLUSIVE)	
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:	
DEPARTMENT/ PUBLIC ENTITY	National Treasury	CONTACT PERSON	Basani Duiker/Lesego Seperepere
CONTACT PERSON	Thivhileli Matshinyatsimbi / Sithembile Skosana	TELEPHONE NUMBER	
TELEPHONE NUMBER		FACSIMILE NUMBER	
FACSIMILE NUMBER		E-MAIL ADDRESS	Lesego.Seperepere@treasury.gov.za /Basani.Duiker@treasury.gov.za
E-MAIL ADDRESS	thivhileli.matshinyatsimbi@treasury.gov.za / sithembile.skosana@treasuty.gov.za		

## PART B TERMS AND CONDITIONS FOR BIDDING

<b>1. BID SUBMISSION:</b>	
1.1.	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2.	ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED-(NOT TO BE RE-TYPED) OR ONLINE
1.3.	BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: ( BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.
1.4.	WHERE A BIDDER IS NOT REGISTERED ON THE CSD, MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS MAY NOT BE SUBMITTED WITH THE BID DOCUMENTATION. B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.
1.5.	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER LEGISLATION OR SPECIAL CONDITIONS OF CONTRACT.
<b>2. TAX COMPLIANCE REQUIREMENTS</b>	
2.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
2.4	BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.
2.5	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.
2.6	WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
<b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>	
3.1.	IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>
3.2.	DOES THE BIDDER HAVE A BRANCH IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>
3.3.	DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>
3.4.	DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO OBTAIN A TAX COMPLIANCE STATUS / TAX COMPLIANCE SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.	

**NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.**





# **national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

## **TERMS OF REFERENCE**

**NT003-2018: APPOINTMENT OF A PANEL OF SERVICE PROVIDERS TO ASSIST THE INTERNAL AUDIT FUNCTION IN EXECUTING ITS STRATEGIC AND OPERATIONAL PLANS FOR A PERIOD OF THREE (3) YEARS.**

### **1. Scope of Terms of reference**

1.1 These Terms of Reference are intended to provide a scope of work and deliverables to appoint Internal Auditors in terms of Treasury Regulations 27.2.7 for the provision of Internal Audit Services for a period of 3 years from date of commencement.

1.2 In terms of Treasury Regulation 27.2.5, the accounting officer must have an internal audit function that must in accordance with the accounting officer, be formally defined in an audit charter and must be consistent with the Institute of Internal Auditors ("IIA"). The service providers are required to co-source the Internal Audit Activity of the National Treasury.

### **2. Background**

The Internal Audit Function (IAF) of the National Treasury was established in 2006, in terms of the Public Finance Management Act (1 of 1999), as an integral part of the National Treasury system of governance.

The IAF provides objective and independent assurance to management and the Audit Committee on the adequacy and effectiveness of internal controls, risk management and governance process within National Treasury, Accounting Standard Boards, Co-operative Banks Development Agency and Government Technical Advisory Centre. In pursuing this activity, the IAF is guided by a fully functional Audit Committee which operates in terms of an approved Audit Charter.

The IAF organisational structure was approved by the Audit Committee and the accounting officer. The IAF continues to monitor its human capital and ensures that there are processes in place to make sure that existing staff obtain appropriate qualifications.

The IAF through engagement with stakeholders formulated a comprehensive three-year rolling plan, incorporating an annual internal audit plan that was approved by the Audit Committee. The head of the IAF has complete access and direct reporting line to the Audit Committee and reports at each Audit Committee meeting on control weaknesses and other Internal Audit Activities.

### **3. Services Required**

The Chief Directorate: Internal Audit requires the services of an independent service providers to assist in rendering planned and/or Adhoc management requests of the following services utilising a delivery based costing model:

#### **3.1.1 Regularity Audits**



These reviews can be of an assurance or consulting nature and they are also referred to as Risk Based Audits. They involve an assessment of risks that may deter the division/unit from reaching its strategic goals and objectives looking at the processes that management have put in place to reach these strategic goals and objectives.

They deal with an assessment of controls put in place by management to mitigate the risks identified. An assessment is made of whether controls in place are adequate to mitigate the risks and where controls are found to be adequate an assessment is made of the extent to which these controls are being effective or applied as intended.

These audits also include consulting engagements which may include providing guidance on development of policies and procedures, conducting governance reviews as requested by management as well as assisting on self-control assessments initiated by management.

### 3.1.2 Compliance Audits

These reviews assess the extent to which policies, procedures and processes comply with legislative and contractual requirements.

### 3.1.3 Performance Audits

These reviews are independent audit reviews aimed at evaluating the measures instituted by management, or the lack of these measures in ensuring that resources have been acquired economically and are utilised efficiently and effectively and reporting on the acquisition and use of these resources to management or the relevant authority.

Performance Audit unit also conducts consulting and assurance audit of Performance Information (predetermined objectives) that are included in the audit plan.

### 3.1.4 IT Audits

These reviews can be of an assurance or consulting nature and provides the platform for evaluating the internal control design and effectiveness of information systems within the organisations to ensure confidentiality, integrity and availability.

The main objective of these reviews is to assess and evaluate the IT environment in order to ascertain whether an information system safeguards assets, maintains data integrity, achieves organisational goals effectively and consumes resources in an efficient manner. These may include amongst others:

**General computer controls review:** Performed to obtain an understanding of the IT control environment.



**Physical and environmental review:** Assessment of physical security as well as environmental factors such as power supply, air conditioning, humidity control and other environmental factors.

**Security management review:** Encompasses a security review of the operating systems, database management systems and system administration procedures.

**Application controls review:** A business application could be payroll, invoicing, a web-based customer order processing system or an enterprise resource planning system that actually runs the business. Review of such business applications includes access control and authorizations, validations, error and exception handling, business process flows within the application software and complementary manual controls and procedures.

**Project assurance review:** A review of the system development lifecycle as well as pre and post implementation software development activities.

**Network security review:** Review of internal and external network connections, perimeter security, firewall review, router access control lists, port scanning and intrusion detection systems.

**IT service continuity review:** Ensures the existence and maintenance of fault tolerant and redundant hardware, backup procedures and storage, and documented and tested disaster recovery/business continuity plans.

### 3.1.5 Data Analytics and Technology

**Data Analytics:** Internal Audit is in the process of building internal Data Analytics Capacity and Skills and currently have three (3) ACL Desktop Licences in our possession which are renewed on an annual basis. We require the services of a service provider who has strong Data Analytics knowledge and skills to assist our team with services.

**Technology:** We also require a service provider who can assist us with the automation of some of our Internal Audit processes and also advise on the audit tools that Internal Audit can consider for implementation in order to improve such processes or improve how we conduct audits e.g. Audit Committee dashboard and reporting tools, security review tools, automation of the findings register etc.

### 3.1.6 Quality Assurance

Assist with execution of Quality Assurance projects to ensure independence in execution of internal quality assessments and implementation of improvement action plans, as per the **Quality Assurance and Improvement Program**. As well as assist with improving



the utilisation of Technology in the function and automating manual processes.

Executing the audits as per the approved annual audit plan for the 2017/18 financial year, in line with the **in-house methodology**, including any special projects requested by management and the Audit Committee. Internal audits in respect of the annual plan must be completed within a month after the end of the year in question;

Preparing, in respect of each project, an - audit planning memorandum and engagement letter, in consultation with the Senior Manager of the directorate responsible for the review and for review and approval by the CAE. The engagement letter will be signed by the Chief Director: Internal Audit and the divisional head or nominated representative;

Assisting with such other assignments as the Audit Committee may authorize, which may constitute an addition to the scope as mentioned in this terms of reference.

### 3.1.7 Provide Specialist skills

Assist with providing experts with specialist skills relevant to the core business of the Treasury, Cooperative Banks Development Agency, Accounting Standards Board, Government Technical Assistance Centre and Government Pensions Administration Agency Program 7, such as Economics and Economic Policy development, Treasury Management, Supply Chain and Logistics, Taxation, Financial Sector and public finance and administration amongst others.

### 3.1.8 Training

Assist with providing training in the specialist areas provided above, as well as other training relevant in the Governance, Risk, and Control and the core business of the clients (NT, GTAC, CBDA, ASB and GPAA) of the Internal Audit Activity.

## 4. Service Levels

### 4.1 Quality Assurance

For purposes of providing quality assurance with regards to the services, the independent service providers (Audit Firms) shall ensure that: -

- 4.1.1 It maintains quality assurance activities that covers all aspects of the NT internal audit's quality assurance and improvement programme methodology. The quality assurance activities should be designed to assist the National Treasury Internal Audit Function in adding value, improving CBDA, ASB, GTAC and National Treasury's operations and providing assurance that the internal audit services of the National





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Treasury are in conformity with the Standards and the Code of Ethics of the IIA; and

- 4.1.2 the audits entail the following:
  - 4.1.2.1.1 proper planning;
  - 4.1.2.1.2 proper supervision of staff;
  - 4.1.2.1.3 regular projects status meeting;
  - 4.1.2.1.4 review of working papers files; and
  - 4.1.2.1.5 adherence to documentary policies and procedures.
  - 4.1.2.1.6 preparation of draft and final reports;
  - 4.1.2.1.7 present the reports at the Audit Committee meetings;
  - 4.1.2.1.8 performance assessment at the completion of each audit;
  - 4.1.2.1.9 maintain relevant evidence that all the requirements above have been performed; and
  - 4.1.2.1.10 submit invoices after the completion of each project.

#### 4.2 Service providers' (Audit Firms) independence and objectivity of personnel

The Independent service providers (Audit Firms) shall ensure that –

- 4.2.1 the key personnel and nominated representatives of the independent service provider (Audit Firm) shall at all times be available to meet the requirements that will be agreed upon;
- 4.2.2 the replacement of key personnel involved in the internal audit from manager level and higher, shall take place only with the written consent of the National Treasury and such consent shall not be unreasonably withheld; and
- 4.2.3 the Independent service providers (Audit Firms) shall ensure that their staff maintains their objectivity by remaining independent of the Treasury and its entities and the activities that will be audited.

#### 4.3 Qualifications and experience required

The qualifications and experience required from the experts will depend on the type, scope and nature of the assignment requested by NT.

Generally, four categories of experts will be considered as follows:

- **Category 1 – Partner/Director/Expert**

Highly qualified experts, possessing relevant post-graduate qualifications and assuming having assumed high level and strategic responsibilities in their area of specialisation. They must have at least **12 years** of professional experience in



their area of specialisation and are members, in good standing, of their relevant professional body.

- **Category 2 – Manager/Specialist**

Qualified experts, possessing relevant university qualifications and a solid knowledge of their area of expertise. They must have at least **six years'** professional experience, including experience of managing multiple audit projects and teams. Experience in performing supervisory and leading audit engagements.

- **Category 3 – Senior Audit Specialist/Auditor/Technician**

Qualified supervisors who possess relevant under graduate qualification and good knowledge and understanding of their area of expertise. They must also have at least **three years'** professional experience in their area of expertise.

- **Category 4 – Junior Audit Specialist/Auditor**

Qualified supervisors who possess relevant under graduate qualification and good knowledge and understanding of their area of expertise. They must also have at least **two years'** professional experience in their area of expertise.

Possession of relevant professional certification and designation (CIA, CA SA, CISA, CISM, CGEIT, CISSP, CEH, CCSA, CRMA etc.) in any of the categories will be an added advantage. The service providers must provide a table that details the proposed team, and their collective skills and competencies. The service providers should also provide the curriculum vitae for every team member proposed for each category. If and when special expertise in a specific area of the assignment is required, this will be indicated in the specific terms of reference for the engagement concerned.

#### 4.4 Working papers

- 4.4.1 Internal audit working papers must be in conformity with accepted practices, the IIA standards and the in-house internal audit methodologies. Internal Audit files and/or working papers shall be



made available to the AG in accordance with present and future National Treasury's policy and legislative provisions.

4.4.2 At the completion of each project, the Service Provider will hand over the engagement file to the National Treasury (the engagement files remains the property of the National Treasury), however, the National Treasury agrees that the Service Provider may retain a copy of the engagement file and all working papers in line with its internal retention policies.

#### **4.5 Confidentiality**

The Service Providers shall not for the duration of this Agreement or thereafter, regardless of the reasons for termination, use for its benefit or the benefit of any other person or communicate or divulge to any unauthorised person any confidential matter or information relating to the business affairs, processes, marketing techniques, trade secrets, client lists and / or professional connections of the National Treasury or any of its clients.

Security screening will be conducted on the service providers appointed and all personnel involved on the projects.

#### **4.6 Invoicing**

4.6.1 Billing will be on a delivery based costing model.

4.6.2 Disbursements will be agreed upon upfront for each project as we would like to minimise costs through the use of resources from local (Gauteng) offices unless otherwise necessary.

### **5. Performance management**

Monthly contract performances evaluation will be conducted by IA management.

#### **5.1 Key Performance Indicators**

The key performance indicators shall be agreed upon at the beginning of each project by the parties at the time of the commencement of the project.



## 6. Evaluation Criteria

The Service Providers will be evaluated against the following criteria as set out below:

CRITERIA	MAXIMUM POINTS	SCORING CRITERIA
<b>Functionality</b>		
1. Demonstrates skills and competencies as defined in section 3.1.7 of these the TORs	25%	5 = Excellent 4 = Very good 3 = Good 2 = Average 1 = Poor
2. Demonstrates knowledge and understanding of Internal Auditing through methodology	20%	5 = Excellent 4 = Very good 3 = Good 2 = Average 1 = Poor
3. Demonstrates previous experience in internal audit and/or relevant field in services defined in section 3, within the public sector. (provide nature of projects and names of organization where projects were conducted. Previous experience of the owner/founder of the business will be considered) (Exclusive of 3.1.7)	25%	5 = 4 and more 4 = 3 years 3 = 2 years 2 = 1 year 1 = less than 1 year
4. Demonstrates collective skills and competencies of the proposed team in internal auditing, including specialised internal audits, within the public sector. (refer to section 4.3 of these tors)	30%	5 = excellent 4 = very good 3 = good 2 = average 1 = poor
<b>MAXIMUM SCORE</b>	<b>100%</b>	
<b>Threshold</b>	<b>60%</b>	



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**Special Conditions of Contract**

**NT003-2018**

**APPOINTMENT OF A PANEL OF SERVICE PROVIDERS TO ASSIST THE INTERNAL AUDIT  
FUNCTION IN EXECUTING ITS STRATEGIC AND OPERATIONAL PLANS FOR A PERIOD OF  
THREE (3) YEARS.**

**CLOSING DATE: 20 APRIL 2018 AT 11:00 AM**

**VALIDITY PERIOD: 90 DAYS**

**S U P P L Y   C H A I N   M A N A G E M E N T**

## **A LEGISLATIVE AND REGULATORY FRAMEWORK**

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 takes precedence.

### **1. EVALUATION PROCESS AND CRITERIA**

1.1. All bids will be evaluated in terms of functionality and preference point system which comprises of the following:

#### **1.1.1 Phase I: Initial screening process**

In terms of National Treasury Instruction No. 4A of 2016/2017 regarding the National Central Supplier Database (CSD), all bidders must register on the CSD to provide the following information to be verified through the CSD:

- a) Business registration, including details of directorship and membership;
- b) Bank Account holder information;
- c) In the service of the State status;
- d) Tax compliance status;
- e) Identity number;
- f) Tender default and restriction status; and
- g) Any additional and supplementary verification information communicated by National Treasury.

#### **1.1.2 Phase II Prequalification Criteria**

Bidders will be prequalified on the basis of being an EME or QSE which is at least 51% black owned. Bidders will also be prequalified on the basis of attaining a B-BBEE status level of contributor 1 or 2 and they must subcontract a minimum of 40% to an EME or QSE which is at least 51% black owned to be eligible for further evaluation in terms of Regulation 4.(1) of the Preferential Procurement Regulations 2017.

**1.1.3 Phase III: Functionality evaluation as per attached Terms of Reference**

- a) Bids will be evaluated strictly according to the bid evaluation criteria stipulated in the terms of reference.
- 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:

CRITERIA	MAXIMUM POINTS	SCORING CRITERIA
<b>Functionality</b>		
1. Demonstrates skills and competencies as defined in section 3.1.7 of these the TORs	25%	5 = Excellent 4 = Very good 3 = Good 2 = Average 1 = Poor
2. Demonstrates knowledge and understanding of Internal Auditing through methodology	20%	5 = Excellent 4 = Very good 3 = Good 2 = Average 1 = Poor
3. Demonstrates previous experience in Internal Audit and/or relevant field in services defined in section 3, within the Public Sector. (Provide nature of projects and names of organization where projects were conducted. Previous experience of the owner/founder of the business will be considered) (Exclusive of 3.1.7)	25%	5 = 4 and more 4 = 3 years 3 = 2 years 2 = 1 year 1 = less than 1 Year

4. Demonstrates collective skills and competencies of the proposed team in internal auditing, including specialised Internal Audits, within the Public Sector. (refer to section 4.3 of these TORs)	30%	5 = Excellent 4 = Very good 3 = Good 2 = Average 1 = Poor
Maximum score	100%	
Threshold	60%	

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**

- e) 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 60% for functionality will be evaluated and scored in terms of pricing and socio-economic goals as indicated hereunder.
- f) Any proposal not meeting a minimum score of 60% functionality proposal will be disqualified and the financial proposal will remain unopened
- g) 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.
- h) This score will be converted to a percentage and only bidders that have met or exceeded the minimum threshold of 60 percent for functionality will be evaluated and scored in terms of pricing and socio economic goals as indicated hereunder.

#### **1.1.4 Phase IV: Price/Financial stage and B-BBEE**

Price/ Financial proposals must be submitted in South African Rand.

NT reserves the right to negotiate rates submitted by bidders.

## **2. 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 80/20-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 80 points)
  - Broad-based black Economic Empowerment as well as specific goals (maximum 20 points)
- b. The following formula will be used to calculate the points for price in respect of bidders with a Rand value up to R50 000 000 :

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

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 20 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 3.1.

- c. The State reserves the right to arrange contracts with more than one contractor

## 2.1 POINTS

The Preferential Procurement Regulations 2017 were gazetted on 20 January 2017 (No. 40553) with effect from 1 April 2017. These regulations require bidders provide relevant proof of their B-BBEE Status Level , the 80/20 preference 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 (80/20 system)
1	20
2	18
3	14
4	12
5	8

6	6
7	4
8	2
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.

- d. The points scored by a bidder in respect of points indicated above will be added to the points scored for price.
- e. Bidders are requested to complete the various preference claim forms in order to claim preference points.
- f. Only a bidder who has completed and signed the declaration part of the preference claim form will be considered for B-BBEE status.
- g. National Treasury may, before a bid is adjudicated or at any time, require a bidder to substantiate claims made with regard to their B-BBEE status.
- h. Points scored will be rounded off to the nearest 2 decimals.
- i. 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.
- j. A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.

**k. Joint Ventures, Consortiums and Trusts**

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.

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.

Bidders must submit concrete proof of the existence of joint ventures and/or consortium arrangements. National Treasury will accept signed agreements as acceptable proof of the existence of a joint venture and/or consortium arrangement.

The joint venture and/or consortium agreements must clearly set out the roles and responsibilities of the Lead Partner and the joint venture and/or consortium party. The agreement must also clearly identify the Lead Partner, with the power of attorney to bind the other party/parties in respect of matters pertaining to the joint venture and/or consortium arrangement.

**I. Sub-contracting pre and post award**

Bidders/ tenderers who want to claim Preference points will have to fully comply with regulation 5 and 12(3)of the Preferential Procurement Regulations 2017 with regard to sub-contracting which states that:

- “(5) A tenderer may not be awarded points for B-BBEE status level of contributor if the tender documents indicate that the tenderer intends subcontracting more than 25% of the value of the contract to any other person not qualifying for at least the points that the tenderer qualifies for, unless the intended subcontractor is an EME that has capability to execute the subcontract.
- 12 (3) A person awarded a contract may not subcontract 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 of contributor than the person concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.

**3. MANDATORY REQUIREMENTS**

- 3.1 Proof of Registration summary report from Central Supplier Database  
**FAILURE TO ADHERE TO THE CONDITION WILL LEAD TO THE BID BEING INVALIDATED.**

**4. TAX COMPLIANCE STATUS**

Bids received from bidders with a non- compliant tax status may be disqualified

**5. VALUE ADDED TAX**

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

**6. CLIENT BASE**

- 6.1 National Treasury reserves the right to contact references during the evaluation and adjudication process to obtain information.

**7. LEGAL IMPLICATIONS**

Successful service providers will enter into a service level agreement with National Treasury

**8. COMMUNICATION**

National Treasury may 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.

**9. LATE BIDS**

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

**10. COUNTER CONDITIONS**

Bidders' attention is drawn to the fact that amendments to any of the Special Conditions by bidders will result in such bids being disqualified.

**11. 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

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.

## **11. 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.

## **12. PRESENTATION**

National Treasury may require presentations/interviews from short-listed bidders as part of the bid process

### **12.1 NON-COMPULSORY BRIEFING SESSION:**

Date: 10 April 2018

Time: 11:00 pm - 12:00 pm

Venue: Department of National Treasury

240 Madiba Street, Pretoria, 0001

4<sup>th</sup> Floor Supply Chain Management, Room 401

**13. TIMEFRAMES AND FORMAL CONTRACT**

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

**14. 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:

**15.1 FUNCTIONALITY/TECHNICAL PROPOSAL**

Bid No: NT003-2018

Description: APPOINTMENT OF A PANEL OF SERVICE PROVIDERS TO ASSIST THE INTERNAL AUDIT FUNCTION IN EXECUTING ITS STRATEGIC AND OPERATIONAL PLANS FOR A PERIOD OF THREE (3) YEARS.

Bid closing date and time: 20 APRIL 2018 AT 11H00

Name and address of the bidder:

In this envelope, the bidder shall only address the technical aspects of the bid.

**15.2 PRICE/ FINANCIAL PROPOSAL**

Bid No: NT003-2018

Description: APPOINTMENT OF A PANEL OF SERVICE PROVIDERS TO ASSIST THE INTERNAL AUDIT FUNCTION IN EXECUTING ITS STRATEGIC AND OPERATIONAL PLANS FOR A PERIOD OF THREE (3) YEARS.

Bid closing date and time: 20 APRIL 2018 AT 11H00

Name and address of the bidder:

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

**The Technical Proposal envelope must contain one original hard copy document, clearly marked "Original", and four (4) hardcopies, clearly marked "Copy".**

16 CONTACT DETAILS

Supply Chain Management, 4th floor at National Treasury,

Private Bag x 115, Pretoria, 0001

Physical address: 240 Madiba Street (Vermeulen), Pretoria

For General enquiries: Thivhileli Matshinyatsimbi

E-mail : [Thivhileli.Matshinyatsimbi@treasury.gov.za](mailto:Thivhileli.Matshinyatsimbi@treasury.gov.za)

For Technical enquiries:

**Contact : Basani Duiker/Lesego Seperepere**

**E-mail: [Basani.Duiker@treasury.gov.za](mailto:Basani.Duiker@treasury.gov.za)/[Lesego.Seperepere@treasury.gov.za](mailto:Lesego.Seperepere@treasury.gov.za)**





## SBD 4

## DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state<sup>1</sup>, 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, shareholder<sup>2</sup>, 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.

<sup>1</sup>"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.

<sup>2</sup>"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

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

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

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

**1. GENERAL CONDITIONS**

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

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

1.2 The value of this bid is estimated to not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable.

1.3 Points for this bid shall be awarded for:

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

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

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

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

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

**2. DEFINITIONS**

- (a) **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **"B-BBEE status level of contributor"** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) **"bid"** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price

quotations, advertised competitive bidding processes or proposals;

- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
- 1) B-BBEE Status level certificate issued by an authorized body or person;
  - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
  - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

### 3. POINTS AWARDED FOR PRICE

#### 3.1 THE 80/20 PREFERENCE POINT SYSTEMS

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

**80/20**

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

Where

$P_s$  = Points scored for price of bid under consideration

$P_t$  = Price of bid under consideration

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

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

- 4.1 In terms of Regulation 6 (2) 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 (80/20 system)
1	20
2	18
3	14
4	12
5	8
6	6

7	4
8	2
Non-compliant contributor	0

**5. BID DECLARATION**

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

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

6.1 B-BBEE Status Level of Contributor: . = ..... (maximum of 20 points)  
 (Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

**7. SUB-CONTRACTING**

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

*(Tick applicable box)*

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

7.1.1 If yes, indicate:

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

*(Tick applicable box)*

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

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

Designated Group: An EME or QSE which is at least 51% owned by:	EME √	QSE √
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
<b>OR</b>		
Any EME		
Any QSE		

**8. DECLARATION WITH REGARD TO COMPANY/FIRM**

8.1 Name of  
 company/firm:.....

- 8.2 VAT registration  
number:.....
- 8.3 Company registration  
number:.....
- 8.4 TYPE OF COMPANY/ FIRM
- Partnership/Joint Venture / Consortium  
One person business/sole propriety  
Close corporation  
Company  
(Pty) Limited  
[TICK APPLICABLE BOX]
- 8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES
- .....  
.....  
.....  
.....  
.....
- 8.6 COMPANY CLASSIFICATION
- Manufacturer  
Supplier  
Professional service provider  
Other service providers, e.g. transporter, etc.  
[TICK APPLICABLE BOX]
- 8.7 Total number of years the company/firm has been in  
business:.....
- 8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the  
company/firm, certify that the points claimed, based on the B-BBE status level of  
contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies  
the company/ firm for the preference(s) shown and I / we acknowledge that:
- i) The information furnished is true and correct;
  - ii) The preference points claimed are in accordance with the General Conditions as  
indicated in paragraph 1 of this form;
  - iii) In the event of a contract being awarded as a result of points claimed as shown in  
paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary  
proof to the satisfaction of the purchaser that the claims are correct;
  - iv) If the B-BBEE status level of contributor has been claimed or obtained on a  
fraudulent basis or any of the conditions of contract have not been fulfilled, the  
purchaser may, in addition to any other remedy it may have –
    - (a) disqualify the person from the bidding process;
    - (b) recover costs, losses or damages it has incurred or suffered as a  
result of that person's conduct;
    - (c) cancel the contract and claim any damages which it has suffered  
as a result of having to make less favourable arrangements due to



such cancellation;

- (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution.

<p><b>WITNESSES</b></p> <p>1. ....</p> <p>2. ....</p>
---

<p>..... <b>SIGNATURE(S) OF BIDDERS(S)</b></p> <p><b>DATE:</b> .....</p> <p><b>ADDRESS</b> .....</p> <p>.....</p> <p>.....</p>
--



## 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?</p> <p><b>(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).</b></p> <p>The Database of Restricted Suppliers now resides on the National Treasury's website(<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) 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)?</p> <p><b>The Register for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b></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**

## CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Standard Bidding Document (SBD) must form part of all bids<sup>1</sup> 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).<sup>2</sup> 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:

<sup>1</sup> Includes price quotations, advertised competitive bids, limited bids and proposals.

<sup>2</sup> 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 consortium<sup>3</sup> 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.

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

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

.....  
**Signature**

.....  
**Date**

.....  
**Position**

.....  
**Name of Bidder**

Js914w 2



DEPARTMENT OF NATIONAL TREASURY



PLEASE COMPLETE QUESTIONNAIRE A OR B

**Contractors'/Suppliers' Questionnaire – Individuals:  
Questionnaire A**

Please answer the questions by marking the appropriate column with an "X".  
Please do not leave out any question relating to your specific circumstances.

<b>Contractor/Supplier Name:</b>	
<b>Natural Persons:</b>	
<b>Surname:</b>	
<b>Initials:</b>	
<b>First two names:</b>	
<b>Title:</b>	
<b>ID number or passport number:</b>	
<b>Nationality:</b>	
<b>Income Tax reference number:</b>	
<b>Date of birth:</b>	
<b>If not a citizen of the RSA, furnish a certified copy of a work permit:</b>	
<b>Postal address and code:</b>	
<b>Residential address and code:</b>	
<b>Telephone numbers:</b>	
<b>Facsimile numbers:</b>	
<b>E-mail address:</b>	
<b>If in possession of a tax clearance certificate or exemption certificate (IRP30), furnish a certified copy thereof:</b>	
<b>Jurisdiction in which contractor is "ordinarily resident" i.e. place of permanent residence:</b>	

**DEPARTMENT OF NATIONAL TREASURY**

<b>Question</b>		<b>Yes</b>	<b>No</b>
1.	Do you supply services on behalf of a Labour Broker?		
2.	Are you subject to the control or supervision of the National Treasury (NT)? Including, but not limited to, the following: <ul style="list-style-type: none"> <li>• The manner of duties performed;</li> <li>• The hours of work;</li> <li>• The quality of work.</li> </ul>		
3.	Are you paid at regular intervals i.e. daily, weekly, monthly etc? (If the payments are made at regular intervals or by a rate per time period)		
4.	Will payment to you include any benefits? Including, but not limited to, the following: <ul style="list-style-type: none"> <li>• Leave pay;</li> <li>• Medical aid;</li> <li>• Training;</li> <li>• Sick Leave.</li> </ul>		
5.	Will, or have you be/been in the full time employment of the NT?		
6.	Will you require of the NT to provide any equipment, tools, materials or office space, in order to fulfil the contract?		
7.	Do you supply these, or similar, services only to the NT and not to any other client or the general public?		
8.	Will you be required to work more than 22 hours per week?		
8.1	If "yes", will payment be made on an hourly, daily weekly or monthly basis?		
8.2.1	Will you work solely for the NT?		
8.2.2	Will you provide a written statement to this effect?		
<b>Non-Residents of the RSA</b>			
9.	Will you return to your jurisdiction of residence upon the termination of the contract?		
10.	Is the contract to exceed a period of three years?		
11.	Will you be returning to the jurisdiction of residence during the course of the contract? If so, for what periods of time?		
12.	Is your employer resident in the Republic of South		

**DEPARTMENT OF NATIONAL TREASURY**

<b>Question</b>	<b>Yes</b>	<b>No</b>
13. If a permanent establishment or branch represents the employer in the Republic, will your salary be paid from such permanent establishment or branch?		
14. Will you be required to perform any work outside of the Republic?		
15. Do you agree to submit copies of your passport should the NT, so require?		

**PARTICULARS OF PERSON ACTING AS REPRESENTATIVE OF THE ENTERPRISE**

I, the undersigned, confirm that the information provided above is accurate, and that while in receipt of payment from NT, will inform NT of any changes that take place pertaining the information provided above.

<b>Representative's Full Names:</b>	<b>Capacity:</b>	<b>Contact number:</b>
<b>Signature:</b>		<b>Date:</b>



DEPARTMENT OF NATIONAL TREASURY



PLEASE COMPLETE QUESTIONNAIRE A OR B

**Contractors'/Suppliers' Questionnaire – All Service Providers (excluding Individuals): Questionnaire B:**

Please answer the questions by marking the appropriate column with an "X". Please do not leave out any question relating to your specific circumstances.

<b>Contractor/Supplier Name:</b>	
<b>Corporate Contractors (including companies, close corporations and trusts):</b>	
<b>Registered name and furnish a certified copy of registration:</b>	
<b>Nature of legal entity:</b>	
<b>Trade name:</b>	
<b>Registration number:</b>	
<b>Date of incorporation:</b>	
<b>Jurisdiction of incorporation:</b>	
<b>Jurisdiction where effective management is performed:</b>	
<b>Income tax reference number:</b>	
<b>Employees' Tax reference number:</b>	
<b>Value Added Tax number and furnish a certified copy of VAT 103 Certificate:</b>	
<b>Postal address and code:</b>	
<b>Physical address and code:</b>	
<b>Telephone numbers:</b>	
<b>Facsimile numbers:</b>	
<b>E-mail address:</b>	

**DEPARTMENT OF NATIONAL TREASURY**

<b>Question</b>	<b>Yes</b>	<b>No</b>	
1.	Are you a "Labour Broker" i.e. do you provide payment for supplying the National Treasury (NT) with a person/s? If so, furnish a certified copy of an IRP30, which is valid for the period of the contract.		
2.	Is the service to be rendered personally by any person, who is a connected person, in relation to the entity? (For example a shareholder, member or their direct family)		
3.	Do you employ four or more employees on a full time basis throughout the year, excluding connected parties? If so, are these employees engaged in rendering the service to the NT? (For example secretarial employees would NOT be so engaged)		
4.	Would you be regarded as an employee of the NT if the service was rendered by the person directly to the NT, other than on behalf of the contractor?		
5.	Do you, the Company, Close Corporation or Trust receive any form of training supplied or paid for by NT? If "yes", please specify the nature and extent of the training:		
6.	Are you, the Company Close Corporation or Trust free to choose which tools or equipment, or staff, or raw materials, or routines, patents and technology to use in performing your main duties?		
7.	In order to perform your main duties, do you, or does such a person, Company, Close Corporation or Trust, use any tools or equipment supplied or paid for by NT? If "yes", please state the nature thereof:		
8.	Are you subject to the control or supervision of the NT, as to the manner in which, or hours during which, the duties are performed or are to be performed in rendering the service?		
9.	Will the amounts paid or payable in respect of the service consist of, or include, earnings of any description, which are payable at regular daily, weekly, monthly, or other intervals?		
10.	Will more than 80% of your income, during the year		

**DEPARTMENT OF NATIONAL TREASURY**

<b>Question</b>		<b>Yes</b>	<b>No</b>
	of assessment, from services rendered, consist of or be likely to consist of amounts received directly or indirectly from <b>any one client</b> , or any associated institution, in relation to the client?		
11.	Does your contract contain any elements of an employment contract? [i.e. Job titles, reporting structure in organisation, fixed working hours, employment benefits, performance bonuses (excluding bonus and penalties for early or late delivery)]		
12.	Does your contract contain any clause that will enable you to receive payment, even if no work was done?		
13.	Have you ever been classified as a Labour Broker or personal services company (including Close Corporation and Trust) by SARS or any other client?		
14.	If the answer to question 13 was "yes", did anything change that no longer classifies you as a labour broker or personal services company? If "yes", elaborate:		

<p><b>PARTICULARS OF PERSON ACTING AS REPRESENTATIVE OF THE ENTERPRISE</b></p> <p>I, the undersigned, confirm that the information provided above is accurate, and that while in receipt of payment from NT, will inform NT of any changes that take place pertaining the information provided above.</p>		
<b>Representative's Full Names:</b>	<b>Capacity:</b>	<b>Contact number:</b>
<b>Signature:</b>		<b>Date:</b>





**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](http://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.

**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.