

**PART A  
INVITATION TO BID**

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)</b>					
BID NUMBER:	NT008-2022	CLOSING DATE:	26/07/2022	CLOSING TIME:	11:00 AM
DESCRIPTION	<b>APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER FOR REVIEWING, ENHANCING AND UPDATING OF THE STRATEGIC PROCUREMENT FRAMEWORK AND GOOD PRACTICE GUIDES FOR A PERIOD OF NOT MORE THAN 12 MONTHS</b>				
<b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</b>					
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>					
240 Madiba Street, Pretoria					
<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>					



**PART B  
TERMS AND CONDITIONS FOR BIDDING**

<b>1. BID SUBMISSION:</b>								
<p>1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.</p> <p>1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE</p> <p>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.</p> <p>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.</p> <p>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.</p>								
<b>2. TAX COMPLIANCE REQUIREMENTS</b>								
<p>2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p> <p>2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.</p> <p>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.</p> <p>2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.</p> <p>2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.</p> <p>2.6 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.</p>								
<b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>								
<table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.3. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td>3.4. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?</td> <td style="text-align: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> </table> <p><b>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.</b></p>	3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.3. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO	3.4. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO							
3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO							
3.3. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO							
3.4. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO							

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



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

## **OFFICE OF THE CHIEF PROCUREMENT OFFICER**

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### **TERMS OF REFERENCE**

**FOR**

**APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER FOR REVIEWING,  
ENHANCING AND UPDATING OF THE STRATEGIC PROCUREMENT FRAMEWORK  
AND GOOD PRACTICE GUIDES FOR A PERIOD OF NOT MORE THAN 12 MONTHS**

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## 1 INTRODUCTION AND CONTEXT

- 1.1 The National Treasury (NT) requires qualified Supply Chain Management (SCM) professionals specializing in Strategic Sourcing to be co-sourced in the Office of the Chief Procurement Officer (OCPO): Chief Directorate Strategic Procurement to review, enhance, update, finalise and package the Strategic Procurement Framework (SPF) and Good Practice Guides.
- 1.2 The OCPO: Strategic Procurement in the National Treasury (NT), in addition to its own capacity, requires access to a broad base of external skills and experience in the Supply Chain Management arena specializing in Strategic Sourcing. The NT intends to solicit services from experienced and qualified supply chain management professionals.
- 1.3 Strategic Sourcing refers to a comprehensive process aimed at obtaining maximum advantage on cost, value, technology, process and quality by leveraging an organisation's buying power. It is designed to pursue all sourcing value levers by leveraging the organisation's buying power with selected suppliers, conducting best price evaluations, sourcing appropriately and conducting joint process improvements.
- 1.4 This Terms of Reference (TOR) seeks to solicit the services of experienced and competent Supply Chain Management with specialisation in Strategic Sourcing and a demonstrable experience in developing sourcing strategies and understanding of the strategic sourcing processes, the successful implementation of such strategies as well as savings/benefits achieved through implementation.
- 1.5 This is a preamble to the bid documents. Bidders must respond to the bid by adhering to the requirements of the TOR, Special Conditions of Contract, Service Level Agreement, Specifications and all other applicable bid requirements.

## 2 CURRENT STATE OF AFFAIRS

- 2.1 The state of supply chain management practices across national, provincial and local government departments and public entities reflects a procurement process that is fragmented, predominantly unplanned, highly transactional and limited in value adding activities.
- 2.2 The Government's ability to purchase what it needs on time, at the right quality and for the right price is central to its ability to deliver on its priorities. Procurement systems, therefore, need to be robust, transparent and sufficiently intelligent to allow for the different approaches that are suited to different forms of procurement.

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- 2.3 The OCPO: Strategic Procurement Chief Directorate has developed the Strategic Sourcing Framework and its good practise guides in 2014 to improve departments/institutions procurement process to achieve the Government procurement constitutional objectives and mandates.
- 2.4 During the 2019/20 financial year, the OCPO: Strategic Procurement embarked on the first phase of reviewing, enhancing and updating the Strategic Sourcing Framework and its good practise guides.
- 2.5 Given that times are changing and Strategic Sourcing is improving on a day-to-day basis both in the public and private sector, it has become necessary for OCPO to procure the services of a professional service provider to assist with the reviewing, enhancing, updating, finalising and packaging of Strategic Sourcing Framework and its good practice guides.

### 3 PURPOSE

- 3.1 The purpose of this Terms of Reference is to appoint SCM professionals or firms specialising in Strategic Sourcing to assist the OCPO with the reviewing, enhancing, updating, finalising and packaging of Strategic Sourcing Framework and its good practice guides.

### 4 SCOPE OF THE WORK

- 4.1 The service provider will be required to provide the services of **reviewing, enhancing, updating, compiling** and **packaging** the Strategic Procurement Framework and good practice guides.
- 4.2 The service provider will not be required to develop a new Strategic Sourcing methodology but however use the current SPF methodology as a base for this project. It should also be noted that where there are gaps or lack of information, specific processes or guides and templates is identified during the review process, such templates, guides, and processes would have to be developed.
- 4.3 The link to where the current SPF and guides can be viewed is provided herewith for ease of reference: <http://pfmportal.treasury.gov.za/sites/strategicsourcing>. (Refer to **Annexure A** for instructions to access the current SPF and guides). The National Treasury will provide the appointed service provider with the SPF and good practise guides document prior to commencing the work.
- 4.4 **Review** of the Strategic Procurement Framework and good practice guides:

- 
- Conduct a formal read through of the current SPF and good practice guides content
  - Identify gaps in the methodology and good practise guides
  - Assessing and identifying the areas of improvement per guide
  - Obtaining approval to institute the necessary changes from the NT project manager

4.5 **Enhance** and update Strategic Procurement Framework and good practice guides:

- Research strategic sourcing industry best practises
- Writing up the updated SPF and good practise guides incorporating the latest industry best practises
- Develop new guides or templates of the SPF
- Incorporate the current public sector procurement prescripts in the SPF and good practise guides
- Improve quality and language content of the SPF and guides
- Professionally edit the SPF and good practise guides language and formatting

4.6 **Compile** a final SPF document from the above work undertaken with all the reviewed, enhanced and updated guides in a logical manner as per the strategic sourcing process diagram.

4.7 **Package** the final document for manual and soft copy publication (the required package layout will be finalised with the appointed service provider).

4.8 **Administration Activities**

The service provider will be expected to perform the below administration activities to ensure the smooth running of the project.

a) **Planning**

- Develop a project plan
- Establish project charter and project governance documents such as risk log, stakeholder, engagement plan, communication plan etc.

b) **Management and Communication**

- Project manager progress reports
- Workgroup meetings
- Project team presentations
- Project deliverables workshop (as and when deliverables are completed)
- Steercom presentation



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c) **Deployment**

- Project kick-off inception report
- Project plan (clearly defining activities and timelines for a period not exceeding 12 months)
- Roles and responsibilities
- Operationalization (refer to the output section below)
- Evaluation of deliverables
- Skills transfer

4.9 It is the responsibility of the service provider to conduct research and enhance the guides with latest trends and market best practices when executing this project.

4.10 The service provider will be required to work closely with the internal OCPO personnel throughout the project to transfer skills and build internal capacity.

4.11 The service provider will be required to ensure that all the work done is edited by a professional editor for language, grammar and layout.

4.12 The service provider will be responsible for their own administration work for the entire contract period.

**Note:** The activities above will be further unpacked in detail by the service provider in the inception report.

## 5 OUTPUTS

5.1 The service provider will be expected to provide a team that display experience, skills and expertise in Supply Chain Management specialising in Strategic Sourcing and demonstrate knowledge in the deliverables mentioned below.

PROJECT PHASES	DELIVERABLES
PHASE 1: PROJECT ONBOARDING	Project Conception, Planning and Initiation Project Documents
OUTCOME	Inception Report
PHASE 2: REVIEW, ENHANCE & UPDATE	Review, enhance and update the SPF and good practice guides: Stage 0: Procurement Planning for Strategic Sourcing Stage 1: Landscape Assessment

	Stage 2: Prepare and Engage Stage 3.1: Needs Assessment & Impact Stage 3.2: Analyse Internal Information Stage 3.3: Analyse External Information Stage 4: Evaluate and Develop Sourcing Approaches Stage 5: Bidding Process Stage 6: Contracting and SLA Stage 7: Contract Management and Performance Review
<b>OUTCOME</b>	Updated SPF and good practice guides according to the deliverables as agreed in the Service Level Agreement.
<b>PHASE 3: FINALISE AND PACKAGE</b>	First draft of finalised SPF and good practice guides. Final draft of finalised SPF and good practice guides.
<b>OUTCOME</b>	Finalised and packaged the SPF and good practice guides.
<b>PHASE 4: CLOSE-OUT REPORT AND HAND-OVER</b>	Close-out report and project hand-over.

## 6 ASSUMPTIONS & RISKS

### 6.1 Assumptions underlying the project

- a) The service provider has expertise in supply chain management, strategic sourcing, project management, change management and experiences also gained in various public and private sectors engagements.
- b) The service provider understands public sector supply chain management processes to be able to structure the guides appropriately.

### 6.2 Risks

**Several key risks** have been identified and will have to be managed on this project:

- a) Access to research information from industry and other sources.
- b) The ability of the resources(s) to work within a complex and challenging government environment and with legislative prescripts.

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## **7 CONTRACTING ARRANGEMENTS AND CONTRACT MANAGEMENT**

- 7.1 National Treasury will be the contracting authority on behalf of the OCPO through an official Service Level Agreement or Contract between National Treasury and the Service Provider.
- 7.2 The project will be managed by the Chief Directorate: Strategic Procurement within the OCPO of the National Treasury.
- 7.3 The Resource's performance will be managed as per the agreed deliverables and in relation to the approved project plan. In the event that the Resource's performance is below the acceptable level; such unsatisfactory performance will be discussed with the Service Provider and remedial action(s) will be agreed upon. Consistent unsatisfactory performance after remedial actions have been put in place will result in the termination of the contract. In the event of termination of the contract, the Service Provider will be expected to produce all the work done thus far in the manner specified by the Project Manager.

## **8 FACILITIES FOR THE PROJECT**

- 8.1 The assignment will be delivered at the National Treasury at 240 Madiba Street, Pretoria.
- 8.2 National Treasury will, when the appointed service provider is on site, provide the necessary working facilities such as:
- a) Workstation
  - b) Access to the current SPF documentation
- 8.3 The service provider will be responsible for their own:
- a) Administrative and secretarial support
  - b) Laptops, connectivity
  - c) Photocopying and printing
  - d) Mobile telephone costs
  - e) Parking cost
- 8.4 Location where the services are required:
- a) The centre of appointment shall be National Treasury Pretoria Offices; however, it is anticipated that there might be travelling to conduct research and consult industry experts on the subject matter. The cost of project travelling is estimated at 5% of the disbursement fee which should be included in the total project costing as indicated on the annexure B (pricing schedule).

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- b) The National Treasury and the service provider will negotiate the physical presence of the resource(s) at the centre of appointment namely 240 Madiba Street, during the project inception meeting.

## 9 SECURITY COMPLIANCE

- 9.1 The Service Provider shall be required to comply with the security procedures and requirements of National Treasury such as (identification, access control, searching and prohibition of unauthorized items). The Department will familiarise the service provider with such required security measures and procedures.

## 10 DURATION OF THE PROJECT

- 10.1 The appointment will be for a period of not more than 12 months commencing at the date of appointment.

## 11 QUALIFICATIONS, SKILLS AND EXPERIENCE

- 11.1 The National Treasury is seeking service providers to provide the services as stipulated in paragraph 5 above. The Bidder must allocate three resources for this project in the form of one key resource and two supporting resources.
- 11.2 CV's of all the resources including original **certified copies of qualifications** that are certified in the last 6 months before the closing date and time of the bid must be provided. Failure to submit CV's of all 3 resources will disqualify the bid.
- 11.3 The bidder must indicate the role of each resource according to the format stipulated in the returnable **Annexure C** document. Please note that only 1 CV per resource must be provided.
- 11.4 Should a bidder submit more than 3 (three) CVs, the first 3 CVs will be considered for evaluation. The CVs must be according to the format outlined in **Annexure C**. All the information provided will be verified during the evaluation and due diligence processes and any misrepresentation discovered will disqualify the bid.
- 11.5 **Qualifications of Resources:**
- a) **Key Resource (Lead Consultant)** - Key resource must have a minimum of NQF level 6 qualification.
  - b) **Support Resource** – must have a minimum of NQF level 4 qualification.
- 11.6 **Skills and attributes:**
- a) **Key Resource**
    - Advanced, interpersonal, problem solving and analytic skills

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- Advanced research and report writing skills
  - Business and technical report writing skills
  - Project management skills
  - Ability to engage stakeholders at executive level as well as at an operational level
  - Advanced ability to develop and make presentations and to facilitate stakeholder engagements and workshops

b) **Support Resources**

- Interpersonal and analytic skills
- Research and report writing skills
- Business and technical report writing skills

11.7 **Key Resource Experience:**

- a) A key resource must have a minimum of 5 years' experience in SCM specialising in Strategic Sourcing.
- b) A key resource must have experience in the public or private sector SCM Strategic Sourcing environment.
- c) A key resource must have proven experience in project management.

11.8 **Support Resources Experience:**

- a) The two (2) support resources must have a minimum of 2 years' experience each.
- b) The experience must be in the public or private sector SCM and Strategic Sourcing environments combined.

11.9 **Company experience**

- a) The bidder must indicate three references and provide evidence of projects undertaken in the SCM environment including Strategic Sourcing using the attached **Annexure D**.
- b) The **Annexure D** must be duly completed, signed and clearly outline the company experiences from previous projects. Bidders should note that the **Annexure D** will be used to verify and validate the information submitted and utilised for functionality evaluation

## 12 SUBMISSION REQUIREMENTS

- 12.1 The bid documents should not be retyped or redrafted. The completion of all documents/forms and the signature must be original. Each bidder is required to provide **one original** hard copy document, clearly marked "Original", **Four sets of Hardcopies**,

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clearly marked “COPY” separated for the technical proposal and the financial proposal. A memory stick with the complete bid document must also be submitted.

12.2 In addition to the standard bidding documents outlined in the Special Conditions of Contract, the bidder must submit the following documents:

- a) **Annexure B:** Pricing Schedule
- b) **Annexure C:** CV format, copies of CVs and certified copies of qualifications
- c) **Annexure D:** Company References
- d) Project Approach and Methodology document

### **13 FINANCIAL PROPOSAL / COSTING STRUCTURE**

13.1 The financial proposal should clearly indicate the fixed cost over the 12 months period including Value Added Tax (VAT). Five (5) percent of the contract value will be allocated for disbursements of the total contract value which will be reimbursed on cost recovery basis meaning all expenditure incurred will be recovered from the contract amount.

13.2 The financial proposal to be completed according to the Pricing Schedule, attached as **Annexure B**.

13.3 The service provider will manage their own travel and logistical arrangements.

### **14 REMUNERATION**

14.1 The service provider will be remunerated on cost basis for work done on deliverables that are completed and signed off by the project manager prior to invoicing. Refer to the pricing schedule attached as **Annexure B**.

### **15 PAYMENT SCHEDULE**

15.1 The payment schedule will be agreed and finalised with the service provider upon signing of the contract.

### **16 PROGRAMME / PROJECT PLAN**

16.1 The project plan must outline the project outputs and associated activities over the expected project duration. The details of the project plan will be developed in conjunction with the OCPO and agreed between the parties within one month after the acceptance of the project offer.

### **17 REPORTING REQUIREMENTS**

17.1 **Reporting**

To summarise, in addition to any documents, reports and output specified above, the Service Provider shall provide the following reports:

Name of report	Content	Time of submission
Inception Report	Analysis of existing situation and work plan for the project and project management documentation (risk log, stakeholder engagement plan, communication plan, stakeholder matrix)	To be produced within 4 weeks of the inception / kick-off meeting. In the report the Service Provider shall describe, amongst others, anticipated approach, project milestones, project scope, anticipated risks, etc.
Monthly Progress Reports	Summary description of progress (technical and financial) including problems encountered; planned work for the next task. Completed task deliverable to be attached as an annexure.	On completion of every task deliverable during the project and to be accompanied by an invoice.
Draft Final Report	Short description of achievements including problems encountered, lessons learned, skills transferred and recommendations.	According to the project plan times (No later than 45 working days before the end of the project).
Project Close Out Report	Detailed report of project achievements, problems encountered and recommendations.	Two weeks after submission of the final technical deliverable.

## 17.2 Submission and Approval of Reports

The Inception, Progress and Final Reports must be written in English and submitted to the Chief Director: Strategic Procurement at the National Treasury (Office of the Chief Procurement Officer) through the Project Manager. These reports are to be approved by the Chief Director prior to the invoice being submitted.

The invoices will be processed when the OCPO project manager is satisfied with the deliverables submitted by the service provider.

## 18 EVALUATION

18.1 The National Treasury has set minimum standards (phases) that a bidder needs to meet to be evaluated and selected as a successful bidder. Bidders that have achieved

a minimum functionality threshold of 60% in phase 2 will be evaluated to further evaluation phases. The minimum standards consist of the following:

PHASE 1	PHASE 2
<b>Mandatory Requirements</b>	<b>Functionality</b>
Compliance with mandatory requirements	Compliance with Functionality Requirements

**18.2 Phase 1: Mandatory Requirements: Supply Chain Management Requirements**

18.3 All documents must be completed and signed by the duly authorised representative of the prospective bidder(s). During this phase Bidders' response will be evaluated based on compliance with the listed administration and mandatory bid requirements. **Phase 2: Functionality Criteria = 100 points**

Only Bidders that have met the Mandatory Requirements (in phase1) will be considered for phase 2 for functionality evaluation. The responses received will be evaluated against the following functionality criteria:

No	Functionality Requirement	Evaluation Scoring Criteria		Weight
		Criteria	Score	
1	<b>Company Technical Experience</b>  The bidder must provide proof that the company has years of track record and experience in providing services in Supply Chain Management, Strategic Sourcing and Project Management as per the attached <b>Annexure D</b> .	<b>Company Technical Experience</b>		<b>20</b>
		The bidder provided the company's technical experience of 9-10 years and above on all the three elements combined.	5	
		The bidder provided the company's technical experience of 6 to 8 years on all the three elements combined.	4	
		The bidder provided the company's technical experience of 5 years on all the three elements combined.	3	
		The bidder provided the company's technical experience of 4-5 years on two or less elements.	2	
		The bidder provided the company's technical experience of 1 to 3 years on all three or less elements.	1	
		<b>Criteria</b>	<b>Score</b>	



No	Functionality Requirement	Evaluation Scoring Criteria		Weight
2.	<b>References</b>  The bidder must provide a minimum of three contactable referees outlining experience in the rendering of services in supply chain management and or strategic sourcing as per the attached <b>Annexure D</b> .	<b>Client References</b>		<b>5</b>
		The bidder provided four (4) and above references reflecting the bidder's capabilities on both supply chain management and strategic sourcing	5	
		The bidder provided three (3) references reflecting the bidder's capabilities on both supply chain management and strategic sourcing	4	
		The bidder provided three (3) references reflecting the bidder's capabilities on supply chain management or strategic sourcing	3	
		The bidder provided two (2) references reflecting the bidder's capabilities on supply chain management or strategic sourcing	2	
		The bidder provided one (1) reference reflecting the bidder's capabilities on supply chain management or strategic sourcing	1	
3	<b>Project Approach and Methodology</b>  The bidder must provide details on the roll out of the project considering the elements: (operational plan, risk management plan and project plan) as outlined below and any additional innovative solution that might enhance the execution of this project:  a) Operational plan detailing how the bidder will execute the project.  b) Risk management plan for resources and dependencies on stakeholders.  c) Project plan detailing the timing, sequence, lead personnel and duration of the proposed task considering travel requirements.  d) The project plan must be in an excel format (Gantt chart) and provide the ability to show progress or delays.	<b>Criteria</b>	<b>Score</b>	<b>25</b>
		<b>Approach and Methodology Elements (Operational, Risk and Project Plans)</b>		
		Methodology and approach outline all three elements and more than one innovative solution	5	
		Methodology and approach outline all three elements and one innovative solution	4	
		Methodology and approach outline all three elements	3	
		Methodology and approach outline only two elements	2	
		Methodology and approach outline only one element	1	

No	Functionality Requirement	Evaluation Scoring Criteria		Weight
		<b>Criteria</b>	<b>Score</b>	
4.	<p><b>Technical Experience of the key Resource</b></p> <p>The bidder is required to provide a CV of the Key Resource reflecting their experience in Supply Chain Management and Strategic Sourcing.</p>	<b>Key Resource Technical Experience in Supply Strategic Sourcing and Chain Management</b>		<b>25</b>
		The bidder provided a CV of the Key Resource reflecting experience of more than 5 years on each element Strategic Sourcing and Supply Chain Management.	5	
		The bidder provided a CV of the Key Resource reflecting 5 years of experience on each element Strategic Sourcing and Supply Chain Management	4	
		The bidder provided a CV of the Key Resource reflecting *5 years of experience in Strategic Sourcing	3	
		The bidder provided a CV of the Key Resource reflecting experience of *4 years in Strategic Sourcing and or Supply Chain Management.	2	
		The bidder provided a CV of the Key Resource reflecting experience of less than 3 years in Strategic Sourcing and or Supply Chain Management.	1	
5.	<p><b>Qualifications of the Key Resource</b></p> <p>The key resource must have a minimum NQF level 6 or equivalent qualification.</p> <p><b>Originally Certified copies of the qualifications must be submitted.</b></p>	<b>Key Resource Qualification</b>		<b>10</b>
		The key resource has an NQF level 8 or equivalent and above qualification.	5	
		The key resource has an NQF level 7 or equivalent qualification.	4	
		The key resource has an NQF level 6 or equivalent qualification.	3	
		The key resource has an NQF level 5 or equivalent qualification.	2	
		The key resource has an NQF level below 5 or its equivalent qualification.	1	
6.	<p><b>Technical Experience of the Support Resources</b></p> <p>The bidder is required to provide CVs of the <b>two (2)</b> Support Resources reflecting their experiences in Strategic Sourcing and Supply Chain Management</p>	<b>Support Resources Technical Experience in Strategic Sourcing and Chain Management</b>		
		The bidder provided CV's of both the support resources reflecting experience of 5 years and above each in Strategic Sourcing and Supply Chain Management combined.	5	
		The bidder provided CV's of both the support resources reflecting experience of 3-4 years each in Strategic Sourcing and Supply Chain Management combined.	4	
		The bidder provided CV's of both the support resources reflecting experience of 2 years each in Strategic Sourcing or Supply Chain Management. .	3	

No	Functionality Requirement	Evaluation Scoring Criteria		Weight
		The bidder provided CV's of both the support resources reflecting experience of 1 year each in Strategic Sourcing or Supply Chain Management. .	2	15
		The bidder provided CVs of two resources reflecting no experience in both Strategic Sourcing and or Supply Chain Management combined.	1	
	<b>Minimum Qualifying Threshold</b>			<b>60%</b>
	<b>Total</b>			<b>100</b>

18.4 Bidders that have achieved the minimum qualifying threshold score of 60% on functionality will be evaluated further to PHASE 3 of the process.

18.5 The Functionality scoring will be measured on a scale of 1-5 where 1=Poor, 2=Average, 3=Good, 4=Very Good and 5= Excellent.

## 19 Non-compulsory briefing session

19.1 Date: 08 July 2022

Venue: MS Teams

Time: 11:30 am to 12:30 pm

Ms Team Link: [Click here to join the meeting](#) (Can also be accessed from National Treasury website).

## 20 CONTACT DETAILS

20.1 All bid enquires can be directed to:

a. [NTAdministrativeTenders@Treasury.gov.za](mailto:NTAdministrativeTenders@Treasury.gov.za)

**Note: Email communication is encouraged.**

**ANNEXURE B: PRICING SCHEDULE**

**Bid No:**

**Bid Description: NT008-2022: APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER FOR REVIEWING, ENHANCING AND UPDATING OF THE STRATEGIC PROCUREMENT FRAMEWORK AND GOOD PRACTICE GUIDES FOR A PERIOD OF NOT MORE THAN 12 MONTHS.**

**Name of Bidder:**

**Bidder Contact Number:**

**Bidder BBBEE Status Level:**

<b>Deliverables</b>	<b>Amount</b>	<b>15% VAT</b>	<b>VAT Inclusive Amount</b>
<b>Phase 1</b>			
1.1 Project Conception, Planning and Initiation			
1.2 Project Documents			
1.3 Inception Report			
<b>Phase 2</b>			
2. Review, enhance and update the SPF and SPF good practice guides.			
Stage 0: Procurement Planning for Strategic Sourcing			
Stage 1: Landscape Assessment			
Stage 2: Prepare and Engage			
Stage 3.1: Needs Assessment & Impact			
Stage 3.2: Analyze Internal Information			
Stage 3.3: Analyze External Information			
Stage 4: Evaluate & Develop Sourcing Approach			
Stage 5: Bidding Process			
Stage 6: Contracting and SLA			
Stage 7: Contract Management and Performance Review			
<b>Phase 3</b>			
First draft of finalized SPF and SPF good practice guides.			
Final draft of finalized SPF and SPF good practice guides			

Finalized and packaged the SPF and SPF good practice guides.			
<b>Phase 4</b>			
Close-out report and project hand-over.			
<b>TOTAL AMOUNT OF ALL DELIVERABLES VAT INCLUSIVE</b>			
<b>ADD 5% FROM TOTAL AMOUNT FOR DISBURSEMENT</b>			
<b>TOTAL BID AMOUNT</b>			



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**Special Conditions of Contract**

**NT008-2022:**

**APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER FOR REVIEWING, ENHANCING  
AND UPDATING OF THE STRATEGIC PROCUREMENT FRAMEWORK AND GOOD PRACTICE  
GUIDES FOR A PERIOD OF NOT MORE THAN 12 MONTHS**

**CLOSING DATE: 26 July 2022 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: 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

**NT008-2022: APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER FOR REVIEWING, ENHANCING AND UPDATING OF THE STRATEGIC PROCUREMENT FRAMEWORK AND GOOD PRACTICE GUIDES FOR A PERIOD OF NOT MORE THAN 12 MONTHS.**

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.
- d) The Bid Evaluation Committee (BEC) will evaluate and score all responsive bids and will verify all documents submitted by the bidders.
- e) The panel members will individually evaluate the responses received against the following criteria as set out below: each individual criterion on the score sheet using the following scale:

**TABLE 1: FUNCTIONALITY**

No	Functionality Requirement	Evaluation Scoring Criteria		Weight	
		Criteria	Score		
1	<b>Company Technical Experience</b>  The bidder must provide proof that the company has years of track record and experience in providing services in Supply Chain Management, Strategic Sourcing and Project Management as per the attached <b>Annexure D</b> .	<b>Company Technical Experience</b>		<b>20</b>	
		The bidder provided the company's technical experience of 9-10 years and above on all the three elements combined.	5		
		The bidder provided the company's technical experience of 6 to 8 years on all the three elements combined.	4		
		The bidder provided the company's technical experience of 5 years on all the three elements combined.	3		
		The bidder provided the company's technical experience of 4-5 years on two or less elements.	2		
		The bidder provided the company's technical experience of 1 to 3 years on all three or less elements.	1		
2.	<b>References</b>  The bidder must provide a minimum of three contactable referees outlining experience in the rendering of services in supply chain management and or strategic sourcing as per the attached <b>Annexure D</b> .	<b>Client References</b>		<b>5</b>	
		<b>Criteria</b>			<b>Score</b>
		The bidder provided four (4) and above references reflecting the bidder's capabilities on both supply chain management and strategic sourcing	5		
		The bidder provided three (3) references reflecting the bidder's capabilities on both supply chain management and strategic sourcing	4		



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No	Functionality Requirement	Evaluation Scoring Criteria		Weight													
		The bidder provided three (3) references reflecting the bidder's capabilities on supply chain management or strategic sourcing	3														
		The bidder provided two (2) references reflecting the bidder's capabilities on supply chain management or strategic sourcing	2														
		The bidder provided one (1) reference reflecting the bidder's capabilities on supply chain management or strategic sourcing	1														
3	<p><b>Project Approach and Methodology</b></p> <p>The bidder must provide details on the roll out of the project considering the elements: (operational plan, risk management plan and project plan) as outlined below and any additional innovative solution that might enhance the execution of this project:</p> <p>a) Operational plan detailing how the bidder will execute the project.</p> <p>b) Risk management plan for resources and dependencies on stakeholders.</p> <p>c) Project plan detailing the timing, sequence, lead personnel and duration of the proposed task considering travel requirements.</p> <p>d) The project plan must be in an excel format (Gantt chart) and provide the ability to show progress or delays.</p>	<table border="1"> <thead> <tr> <th data-bbox="716 600 1268 656">Criteria</th> <th data-bbox="1268 600 1401 656">Score</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="716 656 1401 745"><b>Approach and Methodology Elements (Operational, Risk and Project Plans)</b></td> </tr> <tr> <td data-bbox="716 745 1268 869">Methodology and approach outline all three elements and more than one innovative solution</td> <td data-bbox="1268 745 1401 869">5</td> </tr> <tr> <td data-bbox="716 869 1268 936">Methodology and approach outline all three elements and one innovative solution</td> <td data-bbox="1268 869 1401 936">4</td> </tr> <tr> <td data-bbox="716 936 1268 1003">Methodology and approach outline all three elements</td> <td data-bbox="1268 936 1401 1003">3</td> </tr> <tr> <td data-bbox="716 1003 1268 1070">Methodology and approach outline only two elements</td> <td data-bbox="1268 1003 1401 1070">2</td> </tr> <tr> <td data-bbox="716 1070 1268 1677">Methodology and approach outline only one element</td> <td data-bbox="1268 1070 1401 1677">1</td> </tr> </tbody> </table>	Criteria	Score	<b>Approach and Methodology Elements (Operational, Risk and Project Plans)</b>		Methodology and approach outline all three elements and more than one innovative solution	5	Methodology and approach outline all three elements and one innovative solution	4	Methodology and approach outline all three elements	3	Methodology and approach outline only two elements	2	Methodology and approach outline only one element	1	25
Criteria	Score																
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4.	<p><b>Technical Experience of the key Resource</b></p> <p>The bidder is required to provide a CV of the Key Resource reflecting their experience in Supply Chain Management and Strategic Sourcing.</p>	<table border="1"> <thead> <tr> <th data-bbox="716 1677 1268 1733">Criteria</th> <th data-bbox="1268 1677 1401 1733">Score</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="716 1733 1401 1823"><b>Key Resource Technical Experience in Supply Strategic Sourcing and Chain Management</b></td> </tr> <tr> <td data-bbox="716 1823 1268 1957">The bidder provided a CV of the Key Resource reflecting experience of more than 5 years on each element Strategic Sourcing and Supply Chain Management.</td> <td data-bbox="1268 1823 1401 1957">5</td> </tr> <tr> <td data-bbox="716 1957 1268 2024">The bidder provided a CV of the Key Resource reflecting 5 years of experience on</td> <td data-bbox="1268 1957 1401 2024">4</td> </tr> </tbody> </table>	Criteria	Score	<b>Key Resource Technical Experience in Supply Strategic Sourcing and Chain Management</b>		The bidder provided a CV of the Key Resource reflecting experience of more than 5 years on each element Strategic Sourcing and Supply Chain Management.	5	The bidder provided a CV of the Key Resource reflecting 5 years of experience on	4							
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No	Functionality Requirement	Evaluation Scoring Criteria		Weight
		each element Strategic Sourcing and Supply Chain Management		<b>25</b>
		The bidder provided a CV of the Key Resource reflecting *5 years of experience in Strategic Sourcing	3	
		The bidder provided a CV of the Key Resource reflecting experience of *4 years in Strategic Sourcing and or Supply Chain Management.	2	
		The bidder provided a CV of the Key Resource reflecting experience of less than 3 years in Strategic Sourcing and or Supply Chain Management.	1	
5.	<b>Qualifications of the Key Resource</b> The key resource must have a minimum NQF level 6 or equivalent qualification. <b>Originally Certified copies of the qualifications must be submitted.</b>	<b>Criteria</b>	<b>Score</b>	<b>10</b>
		<b>Key Resource Qualification</b>		
		The key resource has an NQF level 8 or equivalent and above qualification.	5	
		The key resource has an NQF level 7 or equivalent qualification.	4	
		The key resource has an NQF level 6 or equivalent qualification.	3	
		The key resource has an NQF level 5 or equivalent qualification.	2	
		The key resource has an NQF level below 5 or its equivalent qualification.	1	
6.	<b>Technical Experience of the Support Resources</b> The bidder is required to provide CVs of the <b>two (2)</b> Support Resources reflecting their experiences in Strategic Sourcing and Supply Chain Management	<b>Support Resources Technical Experience in Strategic Sourcing and Chain Management</b>		<b>15</b>
		The bidder provided CV's of both the support resources reflecting experience of 5 years and above each in Strategic Sourcing and Supply Chain Management combined.	5	
		The bidder provided CV's of both the support resources reflecting experience of 3-4 years each in Strategic Sourcing and Supply Chain Management combined.	4	
		The bidder provided CV's of both the support resources reflecting experience of 2 years each in Strategic Sourcing or Supply Chain Management. .	3	
		The bidder provided CV's of both the support resources reflecting experience of 1 year each in Strategic Sourcing or Supply Chain Management. .	2	
		The bidder provided CVs of two resources reflecting no experience in both Strategic Sourcing and or Supply Chain Management combined.	1	
		<b>Minimum Qualifying Threshold</b>		
<b>Total</b>			<b>100</b>	

- f) 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.
- g) 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.
- h) Any proposal not meeting a minimum score of 60% for functionality proposal will be disqualified and the financial proposal will remain unopened
- i) 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.

#### 1.1.4 Phase III: 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.

### **FAILURE TO ADHERE TO THE CONDITIONS OF PRICING AND SPECIFICATION WILL LEAD TO YOUR BID BEING DISQUALIFIED**

## 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 submit a fully complete B-BBEE certificates / sworn affidavit will lead to no award of points for preference.

- d. The points scored by a bidder in respect of points indicated above will be added to the points scored for price.

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- 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.

**l. Subcontracting after award of tender**

- A person awarded a contract may only enter into a subcontracting arrangement with the approval of the organ of state.

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- A person awarded a contract in relation to a designated sector, may not subcontract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 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 company registration on Central Supplier Database registration (CSD).
- 3.2 CVs of all the resources including original **certified copies of qualifications** that are certified in the last 6 months before the closing date and time of the bid must be provided. Failure to submit CVs of all 3 resources will disqualify the bid.
- 3.3 The bidder must indicate the role of each resource according to the format stipulated in the returnable **Annexure C** document. Please note that only 1 CV per resource must be provided.
- 3.4 Should a bidder submit more than 3 (three) CVs, the first 3 CVs will be considered for evaluation. The CVs must be according to the format outlined in **Annexure C**. All the information provided will be verified during the evaluation and due diligence processes and any misrepresentation discovered will disqualify the bid.
- 3.6 In case of Joint Venture, Consortium, Trust, or Partnership, a signed teaming agreement is required.
- 3.7 In case of Joint Venture, Consortium, Trust, or Partnership a Consolidated Valid Tax Clearance Certificate and/or SARS issued pin code (which will be verified).
- 3.8 In case of Joint Venture, Consortium, Trust, or Partnership a Consolidated B-BBEE certificate for all members
- 3.9 In case of Joint Venture, Consortium, Trust, or Partnership a Consolidated Central Supplier Database Registration (CSD) is required.
- 3.10 UIF compliance demonstrated by submission of one of the following:
  - A valid copy of the UIF Letter of Compliance issued by the Department of Employment and Labour, or
  - Labour uFiling Employer Statement of Account indicating UIF payments or accruals not older than 12 months, or
  - SARS eFiling Employer Statement of Account indicating UIF payments or accruals not older than 12 months, or

3.5 > Valid proof of exemption for UIF.

**FAILURE TO ADHERE TO THE CONDITIONS ABOVE WILL LEAD TO YOUR BID BEING DISQUALIFICATION.**

**NOTE: Additional Required Documents (Not for elimination)**

- a) Valid Tax Clearance Certificate and/or SARS issued pin code (which will be verified)
- b) Valid certified BBBEE certificate / affidavit in case of Exempted Micro Enterprises (EME) and Qualifying Small Enterprises (QSE).

**4. TAX COMPLIANCE STATUS**

- 4.1 Bids received from bidders with a non-compliant tax status may be disqualified with failure to update the Tax Status within 7 days.

**5. VALUE ADDED TAX**

- 5.1 All bid prices must be inclusive of 15% 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



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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.

**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: NT008-2022:

Description: APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER FOR REVIEWING, ENHANCING AND UPDATING OF THE STRATEGIC PROCUREMENT FRAMEWORK AND GOOD PRACTICE GUIDES FOR A PERIOD OF NOT MORE THAN 12 MONTHS

Bid closing date and time: 26 July 2022 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: NT008-2022:

**NT008-2022: APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER FOR REVIEWING, ENHANCING AND UPDATING OF THE STRATEGIC PROCUREMENT FRAMEWORK AND GOOD PRACTICE GUIDES FOR A PERIOD OF NOT MORE THAN 12 MONTHS.**

Description: APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER FOR REVIEWING, ENHANCING AND UPDATING OF THE STRATEGIC PROCUREMENT FRAMEWORK AND GOOD PRACTICE GUIDES FOR A PERIOD OF NOT MORE THAN 12 MONTHS

Bid closing date and time: 26 July 2022 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”. Bidders may also attach soft copy in a USB format.**

**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: [NTAdministrativeTenders@Treasury.gov.za](mailto:NTAdministrativeTenders@Treasury.gov.za)

**PRICING SCHEDULE**  
(Professional Services)

NAME OF BIDDER: ..... **BID NO: NT008-2022**

**CLOSING TIME 11:00 ON 26 July 2022**

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

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY INCLUSIVE OF <u>VALUE ADDED TAX</u>
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**NT008-2022: APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER FOR REVIEWING, ENHANCING AND UPDATING OF THE STRATEGIC PROCUREMENT FRAMEWORK AND GOOD PRACTICE GUIDES FOR A PERIOD OF NOT MORE THAN 12 MONTHS.**

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

Total cost of the assignment (R inclusive VAT) R.....

**NB: Bidders are also advised to indicate a total cost breakdown for this assignment. (Annexure B).**

The financial proposal for this assignment should cover for all assignment activities and outputs enumerated above.

2. Period required for commencement with project after acceptance of bid \_\_\_\_\_

3. Are the rates quoted firm for the full period? Yes/No

4. If not firm for the full period, provide details of the basis on which Adjustments will be applied for, for example consumer price index.

\_\_\_\_\_

\_\_\_\_\_

Any enquiries regarding bidding procedures may be directed to –

**Department: National Treasury**

E-mail address: [NTAdministrativeTenders@Treasury.gov.za](mailto:NTAdministrativeTenders@Treasury.gov.za)

Any enquiries regarding technical enquiries may be directed to –

Contact Person:

Contact Person:

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

## BIDDER'S DISCLOSURE

### 1. PURPOSE OF THE FORM

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

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

### 2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

2.2 Do you, or any person connected with the bidder, have a relationship

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

with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....  
.....

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

2.3.1 If so, furnish particulars:

.....  
.....

**3 DECLARATION**

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

- 3.1 I have read, and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect.
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement, or arrangement with any competitor. However, communication between partners in a joint venture or consortium<sup>2</sup> will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements, or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements, or arrangements made by the bidder with any official of the procuring

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<sup>2</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.

institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

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

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

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

.....  
Signature Date

.....  
Position Name of bidder

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

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.**

### 1. GENERAL CONDITIONS

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

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2

- a) The value of this bid is estimated to not exceed R50 000 000 (all applicable taxes included) and therefore the 90/10 preference point system shall be applicable; or
- b) The 90/10 preference point system will be applicable to this tender

1.3 Points for this bid shall be awarded for:

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

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

	POINTS
<b>PRICE</b>	90
<b>B-BBEE STATUS LEVEL OF CONTRIBUTOR</b>	10
<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





4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

**5. BID DECLARATION**

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

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

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

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

**7. SUB-CONTRACTING**

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

*(Tick applicable box)*

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
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7.1.1 If yes, indicate:

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

*(Tick applicable box)*

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
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viii) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations.

<b>Designated Group: An EME or QSE which is at least 51% owned by:</b>	<b>EME</b> √	<b>QSE</b> √
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>WITNESSES</p> <p>1. ....</p> <p>2. ....</p>
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<p>..... SIGNATURE(S) OF BIDDERS(S)</p> <p>DATE: .....</p> <p>ADDRESS .....</p> <p>.....</p> <p>.....</p>
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**GOVERNMENT PROCUREMENT**

**GENERAL CONDITIONS OF CONTRACT**

**NOTES**

The purpose of this document is to:

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

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

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

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## General Conditions of Contract

### 1. Definitions

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

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

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

- 2. Application**
- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.
- 3. General**
- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from [www.treasury.gov.za](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.