



IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?

YES  NO

**IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.**

**PART B  
TERMS AND CONDITIONS FOR BIDDING**

<b>1. BID SUBMISSION:</b>
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2. <b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.</b>
1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4. <b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</b>
<b>2. TAX COMPLIANCE REQUIREMENTS</b>
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

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

SIGNATURE OF BIDDER: .....

CAPACITY UNDER WHICH THIS BID IS SIGNED: .....  
(Proof of authority must be submitted e.g. company resolution)

DATE: .....

# Terms of Reference

NT011-2024

Appointment of a service provider to provide specialised technical assistance in local government planning, budgeting reporting reforms in supporting the institutionalisation of reporting reforms for municipalities as described in the MFMA Circular No. 88 for a period of three (3) years.

**Technical Support:  
Rationalisation of Planning, budgeting and  
Reporting Reforms as prescribed in the MFMA  
Circular No.88**

**Intergovernmental Relations: Local Government Budget Analysis**

**CLOSING DATE: 28 JUNE 2024 AT 11:00 AM**

**VALIDITY PERIOD: 90 DAYS**

## **TERMS OF REFERENCE:**

### **1. INTRODUCTION:**

- 1.1. National Treasury is seeking to appoint a professional service provider to provide specialist technical assistance for the local government planning, budgeting and reporting reforms for a period of three years focusing on the institutionalisation of reporting reforms for municipalities as described in MFMA Circular No. 88.

### **2. BACKGROUND AND CONTEXT:**

- 2.1 National Treasury, working with the Department of Cooperative Governance (DCoG) and the Department of Planning, Monitoring and Evaluation (DPME), has initiated a process to review, rationalise and streamline the current reporting arrangements across the main built environment programmes, supporting the performance and management of the built environment. This project has been developed in response to two main issues within the built environment.
- 2.2 The first is that there are too many uncoordinated indicators and requests for data by national departments to metropolitan municipalities. There was a need to review and rationalise these reporting requirements. The second is that indicators at the output and outcome level are undeveloped. Overall, it is evident that we have been over-measuring inputs and processes and under-measuring outputs and outcomes.
- 2.3 Between 2014 and 2016, the National Treasury embarked on an exercise to collate the reporting requirements for all metropolitan municipalities and identified 2 572 indicators, which collectively required the annual reporting of 18 467 data elements. These indicators were then catalogued and analysed in accordance with the Framework for Managing Programme Performance Information (FMPPI). The analysis validated the concern that there is an imbalanced concentration of indicators at the results-chain, fragmentation and duplication of indicators, and a lack of coordination across sector departments to produce a rationalised set of indicators for local government planning and reporting.
- 2.4 Subsequent to this exercise, NT introduced the MFMA Circular No. 88 to consolidate and streamline the reporting requirements, rationalise all indicators, and eliminate any duplications for municipalities. This circular has been an integral part in bringing coherence and alignment between the planning, budgeting and reporting of municipalities. This is in line with the current standardisation of the service delivery and budget implementation plan (SDBIP). The reform was first implemented in metropolitan municipalities in 2018 and subsequently introduced to other municipalities, including intermediate cities, districts, and local municipalities.,. The programme is specifically targeting all municipalities.
- 2.5 Although the reform has been progressing since 2017, with significant improvements from 2019 onward, there remains a need for further efforts to address the two primary challenges. This would require refinement and improvement of the foundational work established to date.

### **3. STATUS QUO:**

- 3.1 As part of the early phases of this project, a framework for intergovernmental reporting for metros was adopted in December 2015 and a comprehensive set of performance indicators were prescribed in 2017 for metropolitan municipalities. This set of indicators was designed to be progressively refined and targeted at various local government sectors including, City Spatial Transformation, Water and Sanitation, Energy and Electricity, Solid Waste and Environment, Roads and Public Transport, Governance and Administration, Fire and Disaster as well Climate Resilience.
- 3.2 To date, five addendums were published to improve the indicators by refining their definitions and to expand a new set of indicators from other sectors such as governance, economic development, and financial management. The addendum issued in 2020, marked a substantial change by introducing the reform to all 257 municipalities as per the following categories of municipalities (intermediate cities, districts and remainder of local municipalities). This has broadened the scope of the reporting and oversight mechanisms to include a more comprehensive approach to municipal governance and performance management.
- 3.3 NT has been an anchor driving the reform at a metropolitan municipality level while DCoG has been monitoring the implementation of C88 for the rest of municipalities (non-metros). Since the implementation of the reform, there has been varying degree of reliability and credibility of data reported by municipalities. The quality of these indicators is consistently improving, given that there are numerous platforms to interrogate and analyse the data, which fosters continuous improvement.
- 3.4 All the MFMA C88 (original and subsequent addendums) were jointly approved by three key national government departments: National Treasury, Department of Cooperative Governance (DCoG), and the Department of Planning, Monitoring and Evaluation (DPME). This is testament to collaborative effort and effective intergovernmental cooperation and coordination. Additionally, the oversight of this reform is managed by a steering committee, comprising of NT, DPME, and DCoG. The committee is further strengthened by the involvement of other key stakeholders, such as Auditor General of South Africa (AGSA), South African Local Government Association (SALGA), Department of Public Services and Administration (DPSA), South African Cities Network (SACN) and Statistics SA, who have played a critical role in the institutionalisation of the reform. The AGSA has taken an active role in supporting the implementation of the reform by auditing the C88 indicators as part of the Audit of Predetermined Objectives (AoPO) for metros.
- 3.5 Since the implementation of this reform, metropolitan municipalities have integrated the C88 indicators into their statutory planning documents, such as the Integrated Development Plans (IDP) and the Service Delivery and Budget Implementation Plans (SDBIP) and have begun reporting on these indicators in their Annual Performance Reports (APR). Despite this significant progress, NT has observed some discrepancies between the planning data and the reporting data submitted by metros. These inconsistencies have also been detected by the AGSA during the annual audit process.

- 3.6 Metros have become increasingly reliable in reporting on the majority of MFMA Circular No. 88 indicators as defined in their Technical Indicator Descriptions. In some instance, some metros have been able to specify reporting limitations and provided remedial actions to improve reporting. Additionally, metros are increasingly utilising sector TWGs to analyse the relationships between indicators in terms of municipal service delivery and critically examining their own performance in comparison to their peers.
- 3.7 With regard to the non-metros, it was agreed with the AG that a piloting process would be followed where relevant Circular No 88 indicators for each of the ICMs, DMs and remainder of local municipalities would be included in an Annexure to the IDP and the SDBIP. The latest Addendum No 5 of Circular No 88 (issued in December 2023) provides for the continuation of the pilot process in these categories of municipalities in the 2024/25 financial year. However, to progress to a next phase of the reform requires the drafting of regulations for local government indicators be developed in terms of Section 43 of the Municipal Systems Act (MSA), which will amend and repeal relevant sections of the existing Municipal Planning and Performance Management regulations of 2001.
- 3.8 The draft regulation will aim to codify the joint government reporting reforms as developed through the MFMA Circular Nr 88 and its annual updates. The draft regulation will standardise performance indicators for local government monitoring and reporting.

#### **4. PROJECT BENEFICIARIES**

- 4.1 All categories of municipalities will benefit directly from the project. All citizens in municipalities and intergovernmental partners will benefit indirectly as a result of better municipal governance, and more efficient service-delivery by municipalities.

#### **5. RELATED PROGRAMMES/ INITIATIVES**

- 5.1 This work builds on outputs delivered through municipal data projects carried out through Cities Support Programme (CSP) to increase and improve the quality of municipal economic data, establish an administrative data centre to provide sub-national data, make municipal finance data available on an open data portal, and improve the capacity of cities to manage and use data.
- 5.2 Furthermore, this work builds on outputs delivered through projects focused on the planning and budgeting reforms, and ensures the strategic alignment of planning, budgeting and reporting. It also aims to strengthen the oversight and monitoring of municipal financial and non-financial performance carried out within the LGBA.

#### **6. PROJECT OBJECTIVES**

##### **6.1 Main objective**

- The project aims to implement and institutionalise the intergovernmental planning, budgeting, monitoring and reporting system for municipalities described in Municipal Finance Management Act (MFMA) Circular 88 of November 2017.

## 6.2 Specific Objectives

- To inform and support efforts to streamline the data collection and management systems and processes in municipalities.
- To build capacity within the municipal administrations to manage and apply indicators and data to effectively measure performance, inform policy and plans, and communicate results.
- To build capacity within the municipal administrations to use the set of indicators as one of the key starting points for an outcomes-led approach to planning and spatial targeting and strategy-led budgeting, as the skeleton on which to hang the planning and budgeting reforms within the local government accountability cycle.
- To build capacity and capability within the government system to support and improve service delivery performance through smarter reporting that is strategically aligned to planning and budgeting.
- To enhance the existing reporting platform to serve not only the requirements of the metros, but all the relevant stakeholders and especially those sector departments that require the reporting for oversight, monitoring and evaluation purposes.
- To ensure that learning is shared within and between the metros and the larger community of practice involved in planning, budgeting and reporting.
- To ensure that the current reforms in local government are aligned with the Circular No. 88 reforms.

## 7. SCOPE OF WORK:

7.1 The Service Provider will provide technical support in accordance with the four main work streams:

- Support and capacity building for users and implementers of the system.
- Support in the institutionalisation of planning, budgeting, and reporting reforms with key governance partners, including the National Treasury (NT), Department of Planning, Monitoring, and Evaluation (DPME), and the Department of Cooperative Governance (DCoG).
- Improvement, refinement and enhancement of indicators and strategically incorporating outcomes such as City Spatial Transformation, Climate Resilience, and Sustainable Development Goals (SDGs) into planning and monitoring and evaluation (M&E) tools.
- Strategic alignment of planning, budgeting and reporting reforms.

Each work stream is explained in detail in **Appendix 1**.

7.2 The Service Provider must supply an individual with software development skills to assist in the development, support, and maintenance of the reporting system. This individual will work closely with the Service Provider for maintaining the web-based reporting system.

7.3 Additionally, this work requires extensive collaboration with DCoG to reinforce the institutionalization of a set of key performance indicators for all local government. This includes, amongst others, drafting of regulations in terms of Section of the MSA,



refinement of the Municipal Performance Assessment (MPAT) and development of the State of Local Government Report as well as coordination of provincial monitoring and evaluation (M&E) forums.

## **8. DELIVERABLES**

The project entails the following deliverables and activities:

### **8.1 Workstream 1: User Support**

- Ongoing briefings, support, guidance notes and training sessions for municipalities, sector departments and transversal partners.
- Ongoing technical support and query management.
- Establish key user forums with municipalities and sector departments.
- Ongoing Indicators Built Environment Reporting System (IBER) support and assistance with data uploads for municipalities.
- Maintain, document and expand the existing indicators as needed.
- Manipulating data and formats as may be needed for reporting requirements.
- Adjusting reporting formats for publication and analysis reports as required.
- Ongoing support and maintenance of the Indicators Built Environment Reporting (IBER) System.

### **8.2 Workstream 2: Support Governance Arrangements and Institutionalisation**

- Coordinate engagements with partner departments and entities.
- Develop an institutionalisation and handover plan and support the implementation of a road map for institutionalisation, including development of procedural manuals and capacity building of staff within key stakeholders (National Treasury and Department of Cooperative Governance).
- Support in developing and amending the draft regulations for the Local Government indicators in terms of Section 43 of the Municipal Systems Act
- Further revision and refinement of the Municipal Performance Assessment Tool (MPAT) as part of strengthening the Tool, emanating from the pilot experience in 2023 and subsequent development of the State of Local Government Report.
- Technical assistance and advice to the national monitoring and evaluation (M&E) forum or provincial M&E forum meetings and other meetings and engagements regarding the implementation of the MFMA Circular No 88 template and the MPAT.
- Briefings and guidance for governance meetings (joint planning, budgeting and reporting reforms steering committee and other governance structures)

### **8.3 Workstream 3: Refine and Improve Indicators**

- Modifications and refinements of Tier 1 and Tier 2 indicators
- Establish and oversee technical working groups for each sector
- Develop and promote Tier 3 and 4 Indicators to Tier 1 and Tier 2
- Facilitate engagements with sector departments to agree on shared reporting requirements, and include other LG sectors

- Review and develop Memorandum of Understanding (MOU) with each sector department.
- Support and contribute to the new Municipal Systems Act (MSA) regulations

#### **8.4 Workstream 4: Strategic alignment of planning, budgeting and reporting reforms**

- Prepare, manage and report at joint planning, budgeting and reporting reforms steering committee meetings as well as metro support forums.
- Reflect on previous meetings and plan for future ones to ensure continuity and coherence.
- Strategic inputs to advance the reform process.

### **9. OUTCOMES:**

- 9.1 Streamlined and strengthened reporting on various aspects of performance by municipalities.

### **10. ASSUMPTIONS AND RISKS:**

#### **10.1 Assumptions**

It is assumed that the following will be readily available:

- Access to information, reports and records necessary for the outputs and processes for planning, budgeting and reporting.
- Access to staff for information, workshops and other project activities.
- Access to the existing reporting platform.
- Accessibility to senior management for decision-making.
- Availability of the responsible officials.

#### **10.2 Risks**

The following risks have been identified:

- The Service Provider will have to interface with the NT, DCoG and other sector departments. There may be some complexity and contradiction in these relationships that will have to be managed to maintain trust and ensure success of the project.
- The needs for support expressed by municipalities may exceed the available time within this contract. The decisions will have to be made on priority needs and how to respond in the most cost-effective and impactful manner.

### **11. SUBMISSION OF PROPOSALS**

- 11.1 The Service Provider must submit a comprehensive and responsive proposal that responds to the Terms of Reference. The submission must include the following:

- The proposal consisting of a costing structure and a technical proposal;
- Company profile; and
- Three CVs consisting of one Team leader, one support Team Member and IT Specialist, including certified copies of qualifications and professional registration certificates.

11.2 A responsive proposal will be determined based on the proposal:

- Demonstration of the Service Provider’s ability and understating of the Terms of Reference.
- The relevance of the proposed methodology and approach on how the Service Provider is going to execute the scope of work
- How the Service Provider will deliver and contribute to improving the objective of the Terms of Reference.

**12. SPECIFIC TECHNICAL EXPERTISE REQUIRED FROM THE TECHNICAL SUPPORT TEAM:**

12.1 The National Treasury requires the services of three individuals with appropriate skills and experience to fulfil the Service Provider role. This section sets out the requirements that must be met by the Service Provider in terms of skills, expertise and experience. These requirements will be key to the selection for this assignment.

No.	Project Resource	Qualification and experience required
1.	<b>Team Leader: Monitoring and Evaluation</b>	<ul style="list-style-type: none"> <li>• A Bachelors’ degree/NQF 7 in engineering, accounting, economics, social science, or built environment field.</li> <li>• A post-graduate qualification in monitoring and evaluation, or programme management, will be an added advantage.</li> <li>• Must be registered with South African Monitoring and Evaluation Association</li> <li>• Minimum of 10 years’ experience in monitoring, evaluation and reporting. In addition, must have at least three years’ experience in a combination of the following themes:               <ul style="list-style-type: none"> <li>○ Local Government functions of municipalities and their policy environment,</li> <li>○ Local Government performance analysis and reporting,</li> <li>○ Government-wide monitoring and evaluation and Results-based</li> </ul> </li> </ul>

		<p>management, Performance Auditing and Audit of Pre-determined Objectives, and National Evaluation System.</p> <ul style="list-style-type: none"> <li>• A practical understanding and competence in all of the following areas as demonstrated by previous completed assignments: <ul style="list-style-type: none"> <li>○ Extensive and current knowledge of the reporting and planning reforms processes of the National Treasury.</li> <li>○ Experience in building capacity of metros to improve reporting and planning.</li> <li>○ Extensive experience in institutionalisation of reforms including capacity building approaches and methodologies.</li> <li>○ Research and analytical skills requiring independent initiative, and an ability to develop, analyse and articulate project issues and propose reliable solutions.</li> <li>○ An ability to negotiate with internal and external stakeholders on sensitive and contested issues, as demonstrated by previous completed assignments, in a manner which develops collaboration and builds partnerships.</li> <li>○ Extensive and current knowledge of relevant analytical tools, and technical and administrative functions; and the application of creativity and independent judgment in resolving problems.</li> <li>○ Writing and presentation skills with ability to provide informed technical and programme advice and a track record of conducting quality control of outputs before delivery or during implementation.</li> <li>○ Project and programme management skills and ability to advise on major projects from inception, through to design and implementation.</li> </ul> </li> </ul>
--	--	--

2.	<b>Support Member: Monitoring and Evaluation</b>	<ul style="list-style-type: none"> <li>• A Bachelor's degree/NQF7 in monitoring and evaluation, or programme management.</li> <li>• Minimum of 5 years' experience in monitoring, evaluation and reporting. In addition, must have at least three years' experience in the following themes: <ul style="list-style-type: none"> <li>○ Quantitative and qualitative analytical skills requiring independent initiative, and an ability to develop, analyse and articulate project issues and propose reliable solution.</li> <li>○ Extensive and current knowledge of relevant analytical tools, and technical and administrative functions; and the application of creativity and independent judgment in resolving problems.</li> </ul> </li> </ul>
3.	<b>Support Member: IT Specialist</b>	<ul style="list-style-type: none"> <li>• Bachelor's degree/NQF7 in Information Technology or Software Development</li> <li>• At least 5 years relevant technical experience in the use of web-based software;</li> <li>• Accreditation in the use of relevant web-based software;</li> <li>• At least 3 years relevant technical programming experience in business intelligence analysis and system, maintenance and implementation;</li> <li>• Previous experience in the development, support and technical maintenance of similar South African government databases;</li> </ul>

13. **EVALUATION PROCESS:**

13.1 The bid evaluation process consists of three stages, a bidder must qualify for each stage to be eligible to proceed to the next stage of the evaluation. The stages are:

**Table 1: Bid Evaluation Stages**

Stage	Description
Stage 1	Administrative Requirements Evaluation
Stage 2	Functionality/Technical Evaluation

Stage	Description
Stage 3	Preference Points System (Price and Specific Goals) Evaluation

### Stage 1: MANDATORY REQUIREMENTS: Administrative Evaluation

13.2 An administrative evaluation will be carried out on all the bids received and if the under mentioned documentation is not signed and/or attached such a bid will be eliminated from any further evaluation:

- Proof of company registration on Central Supplier Database Registration (CSD).
- Proof of valid professional registration of team leader: monitoring and evaluation (registration with **South African Monitoring and Evaluation Association**)
- In the case of a Joint Venture, Consortium, Trust, or Partnership a Valid Tax Clearance Certificate and/or SARS issued pin code for both companies must be submitted (which will be verified)
- In the case of a Joint Venture, Consortium, Trust, or Partnership, a signed teaming agreement must be submitted.
- In the case of a Joint Venture, Consortium, Trust, or Partnership a Consolidate or for both companies Central Supplier Database Registration (CSD) is required.

**FAILURE TO ADHERE TO THE CONDITIONS OF THE BID WILL LEAD TO DISQUALIFICATION.**

### 13.3 NOTE: Additional Required Documents (Not for elimination)

- Tax compliance status verification Pin issued by SARS and /or and/or proof of registration on
- Bidder are required to submit a proof of educational qualification(s) for all resources required.
- All copies of qualification(s) must be certified, and the certification must be valid for six (6) months from the required bid submission date if not, the lowest score will be allocated.
- All foreign qualifications must be accompanied by South African Qualifications Authority (SAQA) certificate of evaluation if not, the lowest score will be allocated.

### Stage 2: FUNCTIONAL EVALUATION

**Table 1: Functional Evaluation Criteria (Technical evaluation)**

13.4 The evaluation committee members will evaluate the project proposals received against the evaluation criteria as set out below. The functionality evaluation will be conducted via a technical desktop evaluation as per the following requirements:

NO	CRITERIA	Weight	Scoring Criteria
1.	<b>Team Leader: Monitoring and Evaluation qualification</b>		

1.1	A Bachelors' degree qualification in an engineering, accounting, economics, social science, or built environment field.	8	5= Masters' degree (NQF 9) or higher 4=Honours degree or Post Graduate Diploma (NQF 8) 3=Bachelors' Degree/ Advance Diploma (NQF 7) 2 = National Diploma/(NQF6) 1= Matric or less
	A post-graduate qualification in monitoring and evaluation, or programme management will be an added advantage.	2	5= Masters' degree (NQF 9) or higher 4=Honours degree or Post Graduate Diploma (NQF 8) 3=Bachelors' Degree/ Advance Diploma (NQF 7) 2 = National Diploma/(NQF6) 1= Matric or less
<b>Team Leader: Monitoring and Evaluation Experience</b>			
1.2	Demonstrated experience of at least 10 years in monitoring, evaluation and reporting (non-financial and financial reporting including SDBIP's and Annual Reports)	15	5 = more than 12 years relevant experience 4 = 11 to 12 years relevant experience 3 = 10 years relevant experience 2 = 5 to 9 years relevant experience 1= less than 5 years' experience
1.3	Demonstrated experience of at least 5 years in the development of circulars and policy reforms or reports for the National Treasury pertaining to metros or MFMA topics.	10	5 = 8 or more years relevant experience 4 = 6 to 7 years relevant experience 3 = 5 years relevant experience 2 = 3 to 4 years relevant experience 1= less than 2 years' experience
1.4	Demonstrated experience of at least 5 years in Government-wide monitoring and evaluation and Results-based management, Performance Auditing and Audit of Pre-determined Objectives, and National Evaluation System.	5	5 = 8 or more years relevant experience 4 = 6 to 7 years relevant experience 3 = 5 years relevant experience 2 = 3 to 4 years relevant experience 1= less than 2 years' experience
2.	<b>Support Team Member: Monitoring and Evaluation qualification</b>		
2.1	A Post-graduate Degree in monitoring and evaluation, or programme management.	5	5= Masters' degree (NQF 9) or higher 4= Honours degree or Post Graduate Diploma (NQF 8) 3=Bachelors' Degree/ Advance Diploma (NQF 7)

			2= National Diploma/(NQF6) 1= Matric or less
<b>Support Team Member: Monitoring and Evaluation experience</b>			
<b>2.2</b>	Demonstrate experience of at least 5 years in quantitative and qualitative analytical skills and an ability to develop, analyse and articulate project issues and propose reliable solution	<b>5</b>	5 = 8 or more years relevant experience 4 = 6 to 7 years relevant experience 3 = 5 years relevant experience 2 = 3 to 4 years relevant experience 1= less than 2 years' experience
<b>2.3</b>	Demonstrate experience of at least 3 years in relevant analytical tools, and technical and administrative functions	<b>5</b>	5 = 6 or more years relevant experience 4 = 4 to 5 years relevant experience 3 = 3 years relevant experience 2 = 1 to 2 years relevant experience 1= less than 1 year experience
<b>3. Support Team Member: IT Specialist qualification</b>			
<b>3.1</b>	A Bachelors' Degree/ Advance Diploma (NQF 7) in Information Technology or Software Development.	<b>5</b>	5= Masters' degree (NQF 9) or higher 4=Honours degree or Post Graduate Diploma (NQF 8) 3 = Bachelors' Degree/ Advance Diploma (NQF 7) 2 = National Diploma/(NQF6) 1= Matric or less
<b>Support Team Member: IT Specialist experience</b>			
<b>3.2</b>	Demonstrate experience in system development and support provided on databases or web-based systems within the past 5 years	<b>5</b>	5 = 8 or more years relevant experience 4 = 6 to 7 years relevant experience 3 = 5 years relevant experience 2 = 3 to 4 years relevant experience 1= less than 2 years' experience
<b>3.3</b>	Demonstrated experience of at least 3 years in technical programming experience in business intelligence analysis and system, maintenance and implementation	<b>5</b>	5 = 6 or more years relevant experience 4 = 4 to 5 years relevant experience 3 = 3 years relevant experience 2 = 1 to 2 years relevant experience 1= less than 1 year experience
<b>4. Project methodology and approach</b>			
	Proposed approach and methodology • Clear understanding of the context of the assignment	<b>30</b>	5 = Excellent = comprehensive proposal covering all of the listed components and demonstrating a



	<ul style="list-style-type: none"> <li>• Clear strategy to the execution of the assignment</li> <li>• The bidder must provide a project management plan for the development of the works contemplated in this ToR</li> </ul> <p>The proposal must reflect—</p> <ul style="list-style-type: none"> <li>• Interpretation of the scope</li> <li>• How the Service Provider will specifically approach the assignment</li> <li>• Alignment of skills with the methodology proposed</li> </ul> <p>The methodology proposed needs to be innovative, including but not limited to the following—</p> <ul style="list-style-type: none"> <li>• Extensive and highly interactive stakeholder interactions</li> <li>• Successful blend of qualitative and interactive analysis</li> <li>• Effective management of risk</li> <li>• Effective management of intervention instruments</li> </ul>		<p>practical and innovative response to the requirements.</p> <p>4 = Very Good = thorough proposal covering most of the listed components and presenting a credible project plan.</p> <p>3 = Good = sound proposal that satisfies the requirements and can be achieved.</p> <p>2 = Average = repetition of the required outputs and provision of a project plan.</p> <p>1 = Poor = Inadequate consideration of the listed components and a project plan that will not deliver the required outputs.</p>
	<b>Total</b>	<b>100%</b>	
	<b>Minimum Threshold (Failure to meet this threshold will disqualify the bid)</b>	<b>70%</b>	
<b>Bidders who did not meet a minimum threshold of 70% on Technical Evaluation Criteria will be disqualified for further evaluation price and specific goals</b>			

The minimum threshold of 70 should be achieved on functionality. A bidder that scores less than 70 points out of 100 as per categories in respect of functionality will be regarded as submitting a non-responsive proposal and will be disqualified.

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

Value	Description
5 - Excellent	Meets and exceeds the functionality requirements
4 - Very Good	Above average compliance to the requirements

<b>3 - Good</b>	<b>Satisfactory and should be adequate for stated element</b>
<b>2 - Average</b>	<b>Compliance to the requirements</b>
<b>1 - Poor</b>	<b>Unacceptable, does not meet set criteria</b>

### Stage 3: PREFERENCE POINTS IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

13.5 In terms of Preferential Procurement Regulations, 2022, Regulation 4(1) the applicable Preference Point System for this tender is 80/20, Price (80), and Specific Goals (20). In terms of Regulation 4(2-4) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. The bidder must provide the relevant proof/ required documents for each preference point system indicated.

13.6 Specific Goals. The bidder will be allocated points based on the goals stated below and should be supported by proof/ documentation stated in Table 3 below.

**Table 3: Specific goals for the tender and points claimed are indicated per the table below:**

<b>No.</b>	<b>The specific goals allocated points in terms of this tender</b>	<b>Score</b>	<b>Required proof/documents to be submitted for evaluation process</b>
<b>1</b>	<p><b>The company owned by Historically Disadvantaged Individuals (HDI) (women)</b></p> <ul style="list-style-type: none"> <li>• 100% company is owned by HDI (women) = 10 points</li> <li>• ≥51% and &lt;100% company is owned by HDI (women) = 8 points</li> <li>• &gt;0% and &lt;51% company is owned by HDI (women) = 4 points</li> <li>• 0% company is owned by HDI (women) = 0 points</li> </ul>	<b>10</b>	<p>Proof of claim as declared on SBD 6.1 (one or more of the following will be used verifying the tenderer's status:</p> <ul style="list-style-type: none"> <li>• Company Registration Certification/document (CIPC)</li> <li>• Company Shareholders certificate</li> <li>• Certified identification documentation of company director/s</li> <li>• CSD report/ CSD registration number (MAAA number)</li> <li>• BBBEE Certificate of the tendering company.</li> </ul>
	<p><b>The company owned by Historically Disadvantaged Individuals (HDI) (Black).</b></p> <ul style="list-style-type: none"> <li>• 100% company is owned by HDI (Black) = 10 points</li> <li>• ≥51% and &lt;100% company is owned by HDI (Black) = 8 points</li> <li>• &gt;0% and &lt;51% company is owned by HDI (Black) = 4 points</li> </ul>	<b>10</b>	<ul style="list-style-type: none"> <li>• Consolidated B-BBEE certificated if the tendering company is a Consortium, Joint Venture, or Trust (Issued by verification agency accredited by the South African Accreditation System).</li> <li>• Agreement for a Consortium, Joint Venture, or Trust.</li> </ul>

	<ul style="list-style-type: none"> <li>0% company is owned by HDI (Black) = 0 points</li> </ul>		
--	---	--	--

**NB: Points will be allocated based on % ownership of the Company (Please attach proof/ required documents).**

13.7 Failure to submit the required proof will lead to a zero (0) status level for non-compliant service providers. The points scored by a bidder in respect of the points indicated above will be added to the points scored for price. Only a bidder who has completed and signed the declaration part of the preference claim form will be considered. National Treasury may, before a bid is adjudicated or at any time, require a bidder to substantiate claims made regarding the required proof. A trust, consortium, or joint venture will qualify for points as a legal entity, provided that the entity submits the required proof.

**14. CONTRACTUAL CONDITIONS:**

- The Service Provider will be contract directly with the National Treasury.
- Successful bidder must be able to commence work as soon as the letter of appointment is issued.
- National Treasury reserves the right to screen and vet shortlisted service providers before appointment.
- National Treasury reserves the right to terminate the contract if there is enough information for the termination of the contract.
- Each individual CV will be evaluated in accordance with the criteria. The mandatory relevant experience forms a large component of the Technical Scorecard evaluation. It is, therefore, imperative that the above must find expression in the CV submitted.
- National Treasury reserves the right to communicate with the service providers pertaining to information submitted on the closing date and time.
- The contract value should be inclusive of all costs (professional fees and disbursements) and VAT.

**15. TIME FRAMES/ DURATION**

OUTPUT	CONTRACT PERIOD
Appointment of the service provider(s)	36 months

15.1 The details of the Annual Workplan will be discussed with the successful Service Provider as part of the project inception meeting.

**16. RESPONSIBILITIES OF PARTIES:**

16.1 The Service Provider will report to the Chief Director: Local Government Budget Analysis (LGBA) and the LGBA Project Manager on contractual matters, content

and project processes. The Chief Director: Local Government Budget Analysis will approve all outputs in respect of the tasks to be performed and will be responsible for quality control.

16.2 The National Treasury will determine the frequency of meetings and reporting with the Service Provider.

16.3 The Service Provider must submit timesheets and invoices, together with monthly reports to the NT Project Manager for validation before submission to the Chief Director: Local Government Budget Analysis for approval. The Service Provider is also responsible for timeous submission of all reports.

16.4 The National Treasury will ensure that the license and access of the Indicators Built Environment Reporting (IBER) system is provided to the Service Provider.

## **17. REPORTING AND MONITORING REQUIREMENTS:**

17.1 An inception meeting will be held with the successful bidder via MS Teams on the first day of the project to establish milestones, deliverables, and timeframes. These milestones will provide the basis for monitoring progress on the project.

17.2 Any issues identified by the Service Provider that may hamper the timeous achievement of these milestones must be escalated immediately to the NT project manager who will endeavour to address it promptly.

17.3 Monthly time sheets and reports must be submitted by the 10th working day of the following month to track progress against milestones. The Service Provider will be required to attend a monthly project meeting to track and discuss progress on milestones and agree with the NT project manager on priorities and time frames for the next month.

17.4 Performance reviews will be based on monthly reports comparing actual achievements against the targets agreed upon as signed on the Annual Workplan.

17.5 A monthly invoice, supported by the progress report and signed monthly time sheets that support the hours claimed for work done in that particular month, must be submitted on the 10th working day of the following month.

17.6 The following project reports will be required to be submitted in the pre-agreed formats as proof of delivery of services:

- Inception Report and Annual Workplan
- Project progress reports at key milestones
- Ad-hoc reports and those defined in the Annual Workplan to be determined at inception.
- Project close-out reports

17.7 A close out report is required at the end of the assignment specifying the work done, the outputs generated, the institutions and individuals consulted, skills transferred, overall successes and failures, lessons learnt, and recommendation for future assignments of this nature.

17.8 Reports shall be written in English. All reports, files, notes, electronic files, and documents shall be structured, formatted, and completed according to the requirements of the CD: LGBA and the NT project manager.

## **18. PLACE OF WORK**

18.1 The Service Provider will predominantly work remotely for the duration of the terms of reference and any other place that would be deemed as the place of work. The Service Provider will be required to provide their own facilities, resources and ICT infrastructure required to undertake the assignment, i.e.: computer hardware, internet connectivity and cellphones.

18.2 The Service Provider will be required to travel to attend in-person meetings with key stakeholders and municipalities (as and when required).

## **19. DISBURSEMENTS**

19.1 The disbursement costs for travelling costs must be invoiced by the Service Provider. All travel costs will be incurred by the Service Provider upfront and reimbursed later.

19.2 Disbursements are excluded from professional fees and will be paid in line with the National Treasury and DPSA guidelines and prescripts. These disbursements will be calculated at 10% of the professional fees, forming the overall contract amount, and should not exceed the allocated 10%.

19.3 The Service Provider will submit an invoice on a monthly basis that includes the disbursements costs and professional fees.

## **20. BID VALIDITY PERIOD:**

20.1 The bid will be valid for a period of 90 (ninety) days.

## **21. PENALTIES/WARRANTIES**

21.1 If it is shown that errors or shortcomings exist within the service provided, the bidder shall be notified in writing and shall be required to perform corrective services within an agreed timeframe to remedy such errors at no cost to the National Treasury.

21.2 The National Treasury reserves the right to reject work that does not meet the required standard and engage a different service provider to complete the work. The National Treasury shall serve thirty (30) days written notice for termination of the contract in the case of non-performance.

21.3 Should any audit or inspection reveal that the Service Provider has not complied with any of the requirements in terms of an approved workplan, the Service Provider will be responsible for the resulting corrective actions at no additional cost.

21.4 The National Treasury also has the right to terminate the contract at any stage if there is substantive proof of inefficiency in the delivery of the service.

## **22. TENDER COSTS**

22.1 The Bidder will be liable for all costs incurred.

## **23. BIDDERS RESPONSIBILITY**

23.1 The Service Provider is expected to fully acquaint themselves with the conditions, requirements and specifications of the National Treasury before submitting a completed proposal. Failure to do so will be at the bidder's own risk and the Service Provider cannot secure relief on the grounds of any mistake.

23.2 The selected Service Provider will be required to enter into a written agreement with the National Treasury. This Request for Proposal or any part thereof may be incorporated into and made part of such an agreement. National Treasury shall not incur any obligation or liability towards the selected Service Provider until a written contract has been signed by the duly authorised National Treasury representative and the Service Provider.

## **24. TENDERING DETAILS**

24.1 Contact Details for administrative procurement enquiries.  
**E-mail Address:** [NTAdministrativeTenders@Treasury.gov.za](mailto:NTAdministrativeTenders@Treasury.gov.za)

## **25. INSTRUCTIONS TO THE BIDDER**

25.1 This Request for Proposal does not constitute an offer. The Request for Proposal intends to provide enough information for the preparation and submission of comparable proposals by the Service Providers.

25.2 The National Treasury requires a clear, concise and factual proposal. Bidders shall consult, in writing, with the National Treasury's official responsible should there appear to be any discrepancy, ambiguity or uncertainty pertaining to the meaning or effect of any description, dimension, quality, quantity or any other information contained in this Request for Proposal.

25.3 All proposals must be submitted on or before the closing date and time of this Request for Proposal. The following information must appear on the cover page of the proposal.

- Name of bidder
- Description of proposal
- Bid Number
- Closing date and time

## **26. COPYRIGHT AND INTELLECTUAL PROPERTY RIGHTS:**

26.1 Copyright of all documentation arising from this contract belongs to the National Treasury. The Service Provider may not disclose any information, documentation

or products to other clients, or to any other party, without the written approval of the government client concerned.

- 26.2 The intellectual property rights arising from the execution of a contract shall vest with the National Treasury. The Service Provider undertakes to honour the client's intellectual property rights and all future rights by keeping all published and unpublished material confidential.
- 26.3 The intellectual property associated with the service offering will remain that of the Service Provider. However, all data and associated information is sole ownership of the National Treasury and would be provided to the National Treasury as and when required with no cost implications.

**27. LATE SUBMISSIONS**

- 27.1 Proposals submitted after the specified closing date and time will not be considered for evaluation however, they will be recorded as lately submitted.

**28. DECLARATION**

**I/We the undersigned hereby declare that I/We have read and understand the above and agree to be bound by the stated terms and conditions.**

<b>Name of Service Provider</b>	
<b>Name of contact Person</b>	
<b>Capacity</b>	
<b>Signature</b>	<b>Date</b>

## **DETAILED SCOPE OF WORK**

The support will comprise 4 workstreams:

### **Workstream 1: User Support**

### **Workstream 2: Support to institutionalising the management and governance arrangements.**

- Central to a co-ordinated approach to shared reporting, are collaborative governance arrangements that emphasise the shared ownership of this system. The shared Steering Committee needs to be supported to provide an effective governance service to this project.
- Institutionalisation and handover planning and support for the implementation of an institutionalisation road map, including development of procedural manuals and capacity building of staff in key stakeholders (National Treasury and Department of Cooperative Governance).
- The reporting reform project for all local government. Strategic inputs and guidance to ensure seamless alignment of the reporting reforms processes.

### **Workstream 3: Indicator Refinement**

- The system relies on an ongoing pipeline of indicators being systematically managed for future introduction. Support will be required for selected sector departments to manage the engagements with metros to produce these indicators.
- This may require support for the production of an updated MFMA Circular 88 for issuing to cities.

### **Workstream 4: Strategic Management of planning, budgeting and reporting reforms**

- Strategic recommendations should be derived from a comprehensive evaluation of the present conditions compared to the targeted outcomes. This should include actionable recommendations that can drive the reform process forward.





---

**Special Conditions of Contract**

**NT011-2024**

**APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE SPECIALISED TECHNICAL ASSISTANCE IN LOCAL GOVERNMENT PLANNING, BUDGETING REPORTING REFORMS IN SUPPORTING THE INSTITUTIONALISATION OF REPORTING REFORMS FOR MUNICIPALITIES AS DESCRIBED IN THE MFMA CIRCULAR NO. 88 FOR A PERIOD OF 3 YEARS.**

**CLOSING DATE: 28 JUNE 2024 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 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), Preferential Procurement Policy Framework Act (PPPFA), NT SCM policy and any other applicable legislation. The Special Conditions of Contract are supplementary to that of the General Conditions of Contract. Where, however, the Special Conditions of Contract are against the General Conditions of Contract, the Special Conditions of Contract takes precedence.

## **B. EVALUATION PROCESS AND CRITERIA**

### **1. EVALUATION PROCESS**

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

#### **1.1.1 Phase 1A: Initial screening process**

a) 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:

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

b) **Administrative compliance**

Duly completed and signed.

- Invitation to bid – SBD 1
- Pricing schedule SBD 3.3
- Declaration of interest–SBD 4
- Preference Point Claim Form – SBD 6.1
- Provide ID copies for all managing Directors.
- CIPC

### 1.1.2 Phase 1B: Functionality evaluation as per attached Terms of Reference

- Bids will be evaluated strictly according to the bid evaluation criteria stipulated in the terms of reference.
- Bidders must, as part of their bid documents, submit supportive documentation for all technical requirements as indicated hereunder. The panel responsible for scoring the respective bids will evaluate and score all bids based on their submissions and the information provided.
- Bidders will not rate themselves but need to ensure that all information is supplied as required. The Bid Evaluation Committee (BEC) will evaluate and score all responsive bids and will verify all documents submitted by the bidders.
- The panel members will individually evaluate the responses received against the following criteria as set out below:
- 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.
- The technical proposal will be scored out of 100 points, with a minimum threshold of 70% required. Bidders that do not meet the minimum functionality threshold of 70% will not be considered for further evaluation. Bidders will be evaluated on the functionality evaluation criteria in a table below:

**Table 1:** Summary of functional/Technical Evaluation Criteria

NO	CRITERIA	Weights	Scoring Criteria
<b>1.</b>	<b>Team Leader: Monitoring and Evaluation qualification</b>		
<b>1.1</b>	<ul style="list-style-type: none"> <li>• A Bachelors' degree qualification in an engineering, accounting, economics, social science, or built environment field.</li> </ul>	<b>8</b>	5= Masters' degree (NQF 9) or higher 4=Honours degree or Post Graduate Diploma (NQF 8) 3=Bachelors' Degree/ Advance Diploma (NQF 7) 2 = National Diploma/(NQF6) 1= Matric or less
	<ul style="list-style-type: none"> <li>• A post-graduate qualification in monitoring and evaluation, or programme management will be an added advantage.</li> </ul>	<b>2</b>	5= Masters' degree (NQF 9) or higher 4=Honours degree or Post Graduate Diploma (NQF 8) 3=Bachelors' Degree/ Advance Diploma (NQF 7) 2 = National Diploma/(NQF6) 1= Matric or less
	<b>Team Leader: Monitoring and Evaluation Experience</b>		
<b>1.2</b>	Demonstrated experience of at least 10 years in monitoring, evaluation, and reporting (non-financial and financial reporting including SDBIP's and Annual Reports)	<b>15</b>	5 = more than 12 years relevant experience 4 = 11 to 12 years relevant experience 3 = 10 years relevant experience 2 = 5 to 9 years relevant experience 1= less than 5 years' experience

1.3	Demonstrated experience of at least 5 years in the development of circulars and policy reforms or reports for the National Treasury pertaining to metros or MFMA topics.	10	5 = 8 or more years relevant experience 4 = 6 to 7 years relevant experience 3 = 5 years relevant experience 2 = 3 to 4 years relevant experience 1 = less than 2 years' experience
1.4	Demonstrated experience of at least 5 years in Government-wide monitoring and evaluation and Results-based management, Performance Auditing and Audit of Pre-determined Objectives, and National Evaluation System.	5	5 = 8 or more years relevant experience 4 = 6 to 7 years relevant experience 3 = 5 years relevant experience 2 = 3 to 4 years relevant experience 1 = less than 2 years' experience
<b>2.</b>	<b>Support Team Member: Monitoring and Evaluation qualification</b>		
2.1	A Post-graduate Degree in monitoring and evaluation, or programme management.	5	5= Masters' degree (NQF 9) or higher 4= Honours degree or Post Graduate Diploma (NQF 8) 3=Bachelors' Degree/ Advance Diploma (NQF 7) 2= National Diploma/(NQF6) 1= Matric or less
	<b>Support Team Member: Monitoring and Evaluation experience</b>		
2.2	Demonstrate experience of at least 5 years in quantitative and qualitative analytical skills and an ability to develop, analyse and articulate project issues and propose reliable solution.	5	5 = 8 or more years relevant experience 4 = 6 to 7 years relevant experience 3 = 5 years relevant experience 2 = 3 to 4 years relevant experience 1= less than 2 years' experience
2.3	Demonstrate experience of at least 3 years in relevant analytical tools, and technical and administrative functions.	5	5 = 6 or more years relevant experience 4 = 4 to 5 years relevant experience 3 = 3 years relevant experience 2 = 1 to 2 years relevant experience 1= less than 1 year experience
<b>3.</b>	<b>Support Team Member: IT Specialist qualification</b>		
3.1	A Bachelors' Degree/ Advance Diploma (NQF 7) in Information Technology or Software Development.	5	5= Masters' degree (NQF 9) or higher 4= Honours degree or Post Graduate Diploma (NQF 8) 3 = Bachelors' Degree/ Advance Diploma (NQF 7) 2 = National Diploma/(NQF6) 1= Matric or less
	<b>Support Team Member: IT Specialist experience</b>		

3.2	Demonstrate experience in system development and support provided on databases or web-based systems within the past 5 years.	5	5 = 8 or more years relevant experience 4 = 6 to 7 years relevant experience 3 = 5 years relevant experience 2 = 3 to 4 years relevant experience 1= less than 2 years' experience
3.3	Demonstrated experience of at least 3 years in technical programming experience in business intelligence analysis and system, maintenance, and implementation.	5	5 = 6 or more years relevant experience 4 = 4 to 5 years relevant experience 3 = 3 years relevant experience 2 = 1 to 2 years relevant experience 1= less than 1 year experience
<b>4. Project methodology and approach</b>			
	<p>Proposed approach and methodology</p> <ul style="list-style-type: none"> <li>• Clear understanding of the context of the assignment</li> <li>• Clear strategy to the execution of the assignment</li> <li>• The bidder must provide a project management plan for the development of the works contemplated in this ToR.</li> </ul> <p>The proposal must reflect—</p> <ul style="list-style-type: none"> <li>• Interpretation of the scope</li> <li>• How the Service Provider will specifically approach the assignment.</li> <li>• Alignment of skills with the methodology proposed.</li> </ul> <p>The methodology proposed needs to be innovative, including but not limited to the following—</p> <ul style="list-style-type: none"> <li>• Extensive and highly interactive stakeholder interactions</li> <li>• Successful blend of qualitative and interactive analysis</li> <li>• Effective management of risk</li> <li>• Effective management of intervention instruments</li> </ul>	30	<p>5 = Excellent = comprehensive proposal covering all the listed components and demonstrating a practical and innovative response to the requirements.</p> <p>4 = Very Good = thorough proposal covering most of the listed components and presenting a credible project plan.</p> <p>3 = Good = sound proposal that satisfies the requirements and can be achieved.</p> <p>2 = Average = repetition of the required outputs and provision of a project plan.</p> <p>1 = Poor = Inadequate consideration of the listed components and a project plan that will not deliver the required outputs.</p>

	<b>Total</b>	<b>100%</b>	
	<b>Minimum Threshold (Failure to meet this threshold will disqualify the bid)</b>	<b>70%</b>	
<b>Bidders who did not meet a minimum threshold of 70% on Technical Evaluation Criteria will be disqualified for further evaluation price and specific goals</b>			

- Individual value scores will be multiplied with the specified weighting for the criterion to obtain the marks scored for all elements. These marks will be added and expressed as a fraction of the best possible score for all criteria. This score will be converted to a percentage and only bidders that have met or exceeded the minimum threshold of 70% will be evaluated and scored in terms of pricing and specific goals as indicated hereunder.
- 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.

#### **TERMS AND CONDITIONS**

- Successful bidder(s) must be able to commence work as soon as the letter of appointment is issued.
- The National Treasury reserves the right to screen and vet shortlisted service providers before appointment.
- The National Treasury reserves the right to terminate the contract if there is enough information for the termination of the contract.
- The National Treasury shall appoint one person (Service Provider) for each Treasury sector.
- The National Treasury reserves the right to communicate with the service providers pertaining to information submitted on the closing date and time.

## **2. EVALUATION CRITERIA**

- a) In terms of regulation 4 (1) 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 Specific goals in terms of which points are awarded to bidders on the basis of:
  - The bid price (maximum 80 points)
  - 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 price of tender under consideration;

$P_t$  = Price of tender under consideration; and

$P_{\min}$  = Price of lowest acceptable tender.

A maximum of 20 points may be awarded to a tenderer for the specific goals specified for the tender. The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places. Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

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

## 2.1 POINTS

The Preferential Procurement Regulations 2022 were gazetted on 4 November 2022 (No. 47452) with effect from 16 January 2023. 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.

***Note to organs of state: 80/20 preference point system is applicable, corresponding points must also be indicated as such.***

***Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)***

No.	The specific goals allocated points in terms of this tender	Score	Required proof/documents to be submitted for evaluation process
1	<p><b>The company owned by Historically Disadvantaged Individuals (HDI) (women)</b></p> <ul style="list-style-type: none"> <li>• 100% company is owned by HDI (women) = 10 points</li> <li>• ≥51% and &lt;100% company is owned by HDI (women) = 8 points</li> <li>• &gt;0% and &lt;51% company is owned by HDI (women) = 4 points</li> </ul>	10	<p>Proof of claim as declared on SBD 6.1 (one or more of the following will be used verifying the tenderer's status:</p> <ul style="list-style-type: none"> <li>• Company Registration Certification/document (CIPC)</li> <li>• Company Shareholders certificate</li> <li>• Certified identification documentation of company director/s</li> <li>• CSD report/ CSD registration</li> </ul>

	<ul style="list-style-type: none"> <li>0% company is owned by HDI (women) = 0 points</li> </ul>		<ul style="list-style-type: none"> <li>number (MAAA number)</li> <li>BBBEE Certificate of the tendering company.</li> <li>Consolidated B-BBEE</li> </ul>
	<p><b>The company owned by Historically Disadvantaged Individuals (HDI) (Black).</b></p> <ul style="list-style-type: none"> <li>100% company is owned by HDI (Black) = 10 points</li> <li>≥51% and &lt;100% company is owned by HDI (Black) = 8 points</li> <li>&gt;0% and &lt;51% company is owned by HDI (Black) = 4 points</li> <li>0% company is owned by HDI (Black) = 0 points</li> </ul>	<b>10</b>	<ul style="list-style-type: none"> <li>certificated if the tendering company is a Consortium, Joint Venture, or Trust (Issued by verification agency accredited by the South African Accreditation System).</li> <li>Agreement for a Consortium, Joint Venture, or Trust.</li> </ul>

**\*NB: Points will be allocated based on the % ownership of the Company (please attach proof/ required documents).**

Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

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



### 3. MANDATORY REQUIREMENTS

3.1 An administrative evaluation will be carried out on all the bids received and if the under mentioned documentation is not signed and/or attached such a bid will be eliminated from any further evaluation.

- Proof of company registration on Central Supplier Database Registration (CSD).
- Proof of valid professional registration of team leader: monitoring and evaluation (registration with **South African Monitoring and Evaluation Association**)
- In the case of a Joint Venture, Consortium, Trust, or Partnership a Valid Tax Clearance Certificate and/or SARS issued pin code for both companies must be submitted (which will be verified)
- In the case of a Joint Venture, Consortium, Trust, or Partnership, a signed teaming agreement must be submitted.
- In the case of a Joint Venture, Consortium, Trust, or Partnership a Consolidate or for both companies Central Supplier Database Registration (CSD) is required.

#### **FAILURE TO ADHERE TO THE CONDITIONS OF THE BID WILL LEAD TO DISQUALIFICATION.**

##### **NOTE: Required Administrative Documents (Not for elimination):**

- a) Tax compliance status verification Pin issued by SARS and /or and/or proof of registration on
- b) Bidder are required to submit a proof of educational qualification(s) for all resources required.
- c) All copies of qualification(s) must be certified, and the certification must be valid for six (6) months from the required bid submission date, if not, the lowest score will be allocated.
- d) All foreign qualifications must be accompanied by South African Qualifications Authority (SAQA) certificate of evaluation, if not, the lowest score will be allocated.

### 4. TAX COMPLIANCE STATUS

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

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 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.

## **12. 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.

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

## **13. TIMEFRAMES AND FORMAL CONTRACT**

Successful bidder(s) will enter into a 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: NT011-2024:

Description: APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE SPECIALISED TECHNICAL ASSISTANCE IN LOCAL GOVERNMENT PLANNING, BUDGETING REPORTING REFORMS IN SUPPORTING THE INSTITUTIONALISATION OF REPORTING REFORMS FOR MUNICIPALITIES AS DESCRIBED IN THE MFMA CIRCULAR NO. 88 FOR A PERIOD OF THREE (3) YEARS.

Bid closing date and time: **28 JUNE 2024 AT 11H00AM**

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: **NT011-2024**

Description: APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE SPECIALISED TECHNICAL ASSISTANCE IN LOCAL GOVERNMENT PLANNING, BUDGETING REPORTING REFORMS IN SUPPORTING THE INSTITUTIONALISATION OF REPORTING REFORMS FOR MUNICIPALITIES AS DESCRIBED IN THE MFMA CIRCULAR NO. 88 FOR A PERIOD OF THREE (3) YEARS.

Bid closing date and time: **28 JUNE 2024 AT 11H00AM**

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 “1 Original”, and four (4) hardcopies, clearly marked “Copy”. Bidders may attach soft copies 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: NT011-2024**

**CLOSING TIME 11:00 AM ON 28 JUNE 2024**

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>
---------	-------------	---

**NT011-2024: APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE SPECIALISED TECHNICAL ASSISTANCE IN LOCAL GOVERNMENT PLANNING, BUDGETING REPORTING REFORMS IN SUPPORTING THE INSTITUTIONALISATION OF REPORTING REFORMS FOR MUNICIPALITIES AS DESCRIBED IN THE MFMA CIRCULAR NO. 88 FOR A PERIOD OF THREE (3) YEARS.**

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

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

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

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**

Any enquiries regarding technical enquiries may be directed to –

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

**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

---

<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

---

<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 2022**

**NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022.**

**1. GENERAL CONDITIONS**

1.1 The following preference point systems are applicable to invitations to tender:

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

1.2 **To be completed by the organ of state**

a) The applicable preference point system for this tender is the 80/20 preference point system.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

- (a) Price; and
- (b) Specific Goals.

1.4 **To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
<b>Total points for PRICE and SPECIFIC GOALS</b>	<b>100</b>

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

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

**2. DEFINITIONS**

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations,

competitive tendering process or any other method envisaged in legislation;

- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

### 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

#### 3.1. POINTS AWARDED FOR PRICE

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

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

**80/20**

$$Ps = 80 \left( 1 - \frac{Pt - Pmin}{Pmin} \right)$$

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

### 4. POINTS AWARDED FOR SPECIFIC GOALS

4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/documentation stated in the conditions of this tender:

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
- (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to

determine the applicable preference point system, then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

**Table 1: Specific goals for the tender and points claimed are indicated per the table below.**

**The 80/20 preference point system is applicable, corresponding points must also be indicated as such.**

**Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)**

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
<p><b>The company owned by Historically Disadvantaged Individuals (HDI) (women)</b></p> <ul style="list-style-type: none"> <li>• 100% company is owned by HDI (women) = 10 points</li> <li>• ≥51% and &lt;100% company is owned by HDI (women) = 8 points</li> <li>• &gt;0% and &lt;51% company is owned by HDI (women) = 4 points</li> <li>• 0% company is owned by HDI (women) = 0 points</li> </ul>	10 points	
<p><b>The company owned by Historically Disadvantaged Individuals (HDI) (Black).</b></p> <ul style="list-style-type: none"> <li>• 100% company is owned by HDI (Black) = 10 points</li> <li>• ≥51% and &lt;100% company is owned by HDI (Black) = 8 points</li> <li>• &gt;0% and &lt;51% company is owned by HDI (Black) = 4 points</li> <li>• 0% company is owned by HDI (Black) = 0 points</li> </ul>	10 Points	

**DECLARATION WITH REGARD TO COMPANY/FIRM**

4.3. Name of company/firm.....

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One-person business/sole propriety
- Close corporation
- Public Company
- Personal Liability Company
- (Pty) Limited
- Non-Profit Company
- State Owned Company

[TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I 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 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
  - (a) disqualify the person from the tendering 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 tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted 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, if deemed necessary.

.....	
<b>SIGNATURE(S) OF TENDERER(S)</b>	
<b>SURNAME AND NAME:</b>	.....
<b>DATE:</b>	.....
<b>ADDRESS:</b>	.....
	.....

DEPARTMENT OF NATIONAL TREASURY



**PLEASE COMPLETE QUESTIONNAIRE A OR B**

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

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

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

**DEPARTMENT OF NATIONAL TREASURY**

--

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

**DEPARTMENT OF NATIONAL TREASURY**

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

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

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

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

**DEPARTMENT OF NATIONAL TREASURY**



**PLEASE COMPLETE QUESTIONNAIRE A OR B**

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

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

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



**DEPARTMENT OF NATIONAL TREASURY**

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

**DEPARTMENT OF NATIONAL TREASURY**

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

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

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

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

**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.

## TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Contract amendments
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Dumping and countervailing duties
25. Force Majeure
26. Termination for insolvency
27. Settlement of disputes
28. Limitation of liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties

## 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.