

# INVITATION TO BID

SBD 1

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE NATIONAL TREASURY

BID NUMBER: NT020-2016

CLOSING DATE: 25 OCTOBER 2016

CLOSING TIME: 11:00

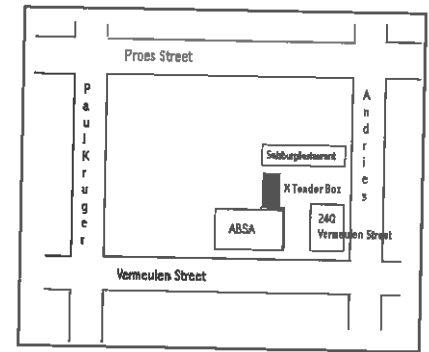
APPOINTMENT OF A PROFESSIONAL SERVICES PROVIDER FOR THE COST AND BENEFIT ASSESSMENT OF THE IMPLEMENTATION OF THE SECTION 8(4) OF THE DIVISION OF REVENUE ACT (2015) FOR THE PERIOD OF 6 MONTHS.

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

BID DOCUMENTS MAY BE POSTED TO:  
DIRECTOR: SUPPLY CHAIN MANAGEMENT  
PRIVATE BAG X115  
PRETORIA  
0001

OR

DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)  
240 Madiba Street between  
ABSA and Urban Eatery Restaurant



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

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

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

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

NAME OF BIDDER .....  
POSTAL ADDRESS .....  
STREET ADDRESS .....  
TELEPHONE NUMBER CODE.....NUMBER.....  
CELLPHONE NUMBER .....  
FACSIMILE NUMBER CODE .....NUMBER.....  
E-MAIL ADDRESS .....  
VAT REGISTRATION NUMBER .....

HAS AN ORIGINAL AND VALID TAX CLEARANCE CERTIFICATE BEEN SUBMITTED? (SBD 2)

YES or NO

HAS A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE BEEN SUBMITTED? (SBD 6.1)

YES or NO

IF YES, WHO WAS THE CERTIFICATE ISSUED BY?

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

A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS); OR.....  
A REGISTERED AUDITOR .....  
[TICK APPLICABLE BOX]

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

ARE YOU THE ACCREDITED REPRESENTATIVE  
IN SOUTH AFRICA FOR THE GOODS / SERVICES / WORKS OFFERED?  
NO

YES or

[IF YES ENCLOSE PROOF]

SIGNATURE OF BIDDER .....

DATE .....

CAPACITY UNDER WHICH THIS BID IS SIGNED .....

TOTAL BID PRICE..... TOTAL NUMBER OF ITEMS OFFERED .....

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**ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:**

**Department:** National Treasury

**Contact Person:** Mthokozisi Ngcobo / Thivhileli Matshinyatsimbi

**E-mail address:** [Mthokozisi.Ngcobo@treasury.gov.za](mailto:Mthokozisi.Ngcobo@treasury.gov.za) / [Thivhileli.Matshinyatsimbi@treasury.gov.za](mailto:Thivhileli.Matshinyatsimbi@treasury.gov.za)

**ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:**

**Technical enquiries:**

**Contact Person:** Thabisa Myolwa

**Email:** [Thabisa.Myolwa@treasury.gov.za](mailto:Thabisa.Myolwa@treasury.gov.za)

## TAX CLEARANCE CERTIFICATE REQUIREMENTS

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

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



TAX CLEARANCE

TCC 001

**Application for a Tax Clearance Certificate****Purpose**

Select the applicable option

Tenders ☐Good standing ☐

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

**Particulars of applicant**Name/Legal name  
(Initials & Surname  
or registered name)Trading name  
(if applicable)

ID/Passport no

Company/Close Corp.  
registered no

Income Tax ref no

PAYE ref no 7

VAT registration no 4

SDL ref no L

Customs code

UIF ref no U

Telephone no

Fax  
no

E-mail address

Physical address

Postal address

**Particulars of representative (Public Officer/Trustee/Partner)**

Surname

First names

ID/Passport no

Income Tax ref no

Telephone no

Fax  
no

E-mail address

Physical address

**Particulars of tender (If applicable)**

Tender number

Estimated Tender  
amount

R

Expected duration  
of the tender

year(s)

**Particulars of the 3 largest contracts previously awarded**

Date started

Date finalised

Principal

Contact person

Telephone number

Amount

**Audit**Are you currently aware of any Audit investigation against you/the company?  
If "YES" provide details

YES

NO

**Appointment of representative/agent (Power of Attorney)**I the undersigned confirm that I require a Tax Clearance Certificate in respect of  Tenders or  Goodstanding.I hereby authorise and instruct  to apply to and receive from  
SARS the applicable Tax Clearance Certificate on my/our behalf.

Signature of representative/agent

Date

Name of  
representative/  
agent**Declaration**

I declare that the Information furnished in this application as well as any supporting documents is true and correct in every respect.

Signature of applicant/Public Officer

Date

Name of applicant/  
Public Officer**Notes:**

1. It is a serious offence to make a false declaration.
2. Section 75 of the Income Tax Act, 1962, states: Any person who
  - (a) fails or neglects to furnish, file or submit any return or document as and when required by or under this Act; or
  - (b) without just cause shown by him, refuses or neglects to-
    - (i) furnish, produce or make available any information, documents or things;
    - (ii) reply to or answer truly and fully, any questions put to him ...As and when required in terms of this Act ... shall be guilty of an offence ...
3. **SARS will, under no circumstances, issue a Tax Clearance Certificate unless this form is completed in full.**
4. Your Tax Clearance Certificate will only be issued on presentation of your South African Identity Document or Passport (Foreigners only) as applicable.





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## **TERMS OF REFERENCE**

### **Reference Number**

**APPOINTMENT OF A PROFESSIONAL SERVICES PROVIDER FOR THE COST AND BENEFIT  
ASSESSMENT OF THE IMPLEMENTATION OF THE SECTION 8(4) OF THE DIVISION OF REVENUE ACT  
(2015) FOR THE PERIOD OF 6 MONTHS.**



**BID NUMBER: NT20-2019**

**DESCRIPTION OF PROJECT: APPOINTMENT OF A PROFESSIONAL SERVICES PROVIDER FOR THE COST AND BENEFIT ASSESSMENT OF THE IMPLEMENTATION OF THE SECTION 8(4) OF THE DIVISION OF REVENUE ACT (2015) FOR THE PERIOD OF 6 MONTHS.**

**PERIOD: 6 Months at 960 hours in Total**

**COMPULSORY BRIEFING SESSION: Yes**

## **1. INTRODUCTION AND CONTEXT**

The National Treasury (NT) created the Municipal Infrastructure Grant (MIG) and the Integrated National Electrification Programme (INEP). The MIG is a broad infrastructure grant funding mechanism mainly focusing on the infrastructure that supports free and basic services, whilst INEP is specific to the electrical infrastructure. Both grant systems are aimed at eradicating the identified infrastructure backlogs. Recent amendments to both grant frameworks have allowed for a portion of the grant funding to be used for the maintenance of existing infrastructure.

The successful implementation of the MIG and INEP is expected to contribute significantly to the achievement of three of the South African Government national outcomes namely:

- a) Outcome 6: An efficient, competitive and responsive economic infrastructure network;
- b) Outcome 8: Sustainable human settlements and an improved quality of household life;
- c) Outcome 9: A responsive, accountable, effective, and efficient local government

In the course of implementing various infrastructure programmes and projects; there has also been a realization that there is very little progress being made in as far as eradicating infrastructure backlogs. Some of the problems sighted by the municipalities include limited funding and high costs of construction associated with the time constructors spend on sites. In an attempt to free-up infrastructure grant funding and shorten construction time; NT released a guidance note in a form of the Municipal Finance Management Act (MFMA) Circular No. 51. Paragraph 4,5 of the same Circular sought to assist municipalities with a process of accessing future possible funding as would have been gazetted on the Division of Revenue Act (DoRA). The application process is triggered by an application (to the NT) from the municipality in terms of Section 8(5) of the DoRA.

A sizeable number of municipalities have shown noticeable interest in participating in this process and the process is directly linked to Section 48 of the MFMA which (MFMA Section 48) allows for municipalities to raise loan funding from financial institutions through various ways including pledging as security against which to access future indicative allocations. The objectives of the pledging in this context are to:

- a. Accelerate the implementation of infrastructure projects in the municipalities this means that instead of the municipality waiting for the scheduled payments of grant funding; money is made available at once which otherwise would have taken three years in terms of the normal flow of grant funding.
- b. Save on time and costs by collapsing an up to three years of implementation to a mere twelve to eighteen months.

### **1.1. Overview of the municipal infrastructure grants**

#### **1.1.1. Municipal Infrastructure Grant (MIG)**

The Municipal Infrastructure Grant was established with the strategic goal of subsidizing the capital costs of providing basic services to poor households. The purpose and intended outcomes of the MIG are to:





- a) Provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, micro-enterprises, and social institutions servicing poor communities
- b) Create employment opportunities in the local communities
- c) Alleviate poverty in the local communities
- d) Improve access to basic services infrastructure (water, sanitation, roads, solid waste, community lighting, sports facilities, etc.) for poor communities

The MIG is allocated for the provision of new and for the upgrade and/or rehabilitation of existing services infrastructure. Most of the MIG allocations are earmarked for the water and sanitation service sector as access to water and sanitation is regarded as the basic constitutional right of the citizens of the RSA. The Department of Water & Sanitation (DWS) has a regulatory and oversight responsibility over the water and sanitation service sector. Approximately 73 per cent of the MIG frontloading facilities that the DBSA has approved to date are located in the provinces with the highest infrastructure backlogs.

### **1.1.2. Integrated National Electrification Programme (INEP)**

The Integrated National Electrification Programme was established with the strategic objective of reducing the backlogs of un-electrified households and fund bulk infrastructure to ensure constant supply of electricity in order to:

- a) Eradicate the electrification backlogs of permanently occupied residential buildings in ESKOM and municipal areas of supply,
- b) Address the installation of bulk infrastructure, the rehabilitation and refurbishment of electricity infrastructure in order to improve the quality of electricity supply

The INEP Programme falls within the Energy Sector; the Electrification sub-sectors. The Department of Energy is the national transferring officer of INEP, to date around 80 percent of the pledge applications are for electrification of households through INEP.

## **2. CURRENT STATE OF AFFAIRS**

Since the release of Circular 51, thirteen (34) municipalities have exercised Section 8(4) of DoRA and applied for the pledging of their future conditional grant allocations. The applications were / are for the INEP and MIG respectively and collectively and continue to be made to date.

In order to adequately deal with the volume of the pledging applications and to ensure some level of transparency, the National Pledge Programme Steering Committee (NPPSC) was formed in towards the middle of the year 2015. The Steering Committee is currently constituted by the National Treasury, Department of Cooperative Government, National Department of Energy and the Development Bank of Southern Africa. Other departments such as Water Affairs and Transport are also earmarked for participation in the near future.

## **3. LEVEL OF SUPPORT**

The pledging of the municipal conditional infrastructure grants have been strongly supported by the NT and the relevant transferring national departments. The support has been made even stronger by the formal correspondence which is prepared and signed at the level of the Deputy Director Generals of the affected national departments. This process was initiated in the beginning of the current financial year and aligned with the signing of the DoRA.

## **4. OBJECTIVE OF THE COST BENEFIT ASSESSMENT**

The overall objective of this project is to determine if there is any value-add being realized through the implementation of Section 8(4) of DoRA.



The specific objectives are as follows:

1. To determine if pledging has derived tangible benefits in terms of real savings, accelerating delivery of infrastructure, reducing the cost of infrastructure delivery and speeding access of communities to the services,
2. Outline the intended and unintended impact that pledging makes as a contributor to the infrastructure funding mix and how these will need to be managed going forward, and
3. To suggest alternative ways and improvements in the implementation of pledging in the future.

## 5. SCOPE OF WORK

The scope of work is to conduct a detailed cost benefit analysis / assessment of the pledging of Conditional Grant Transfers at the implementation level and in the light of legislative framework, particularly the National Treasury's Circular 51 requirements based on a sample survey of five identified municipalities where the conditional grants pledging programmes have been implemented, namely:

- Umzinyathi DM (MIG Pledging)
- Ngaka Modiri Molema DM (MIG Pledging)
- Thulamela LM (INEP Pledging)
- Ntabankulu LM (INEP Pledging)
- Amathole DM (MIG Pledging)

The assessment must seek to respond to but not limited to the following guiding questions:

### 5. Specific and detailed scope of work

The detailed scope of this assessment entails the following:

| No. | Area of assessment                    | Details to be investigated or assessed  |
|-----|---------------------------------------|---|
| 1   | Stakeholders Expectations             | <p>Analysis of the expectations of the following identified stakeholder groups with regard to the pledging programmes:</p> <ul style="list-style-type: none"> <li>▪ Individuals, groups, or organizations who depend on the project to fulfil their own goals, and on whom in turn the project depends.</li> <li>▪ Those that define applicable policies and regulations, those managing the project, those contributing directly or indirectly to the project, those working within the project</li> <li>▪ Reviewing and assessment of all documentation related to the pledging of conditional grants including the requirements stipulated in MFMA Budget Circulars 51,59, and 67</li> </ul> |
| 2   | Socio-Economic Context and Objectives | <p>Assessment and analysis of, and conclusions regarding the:</p> <ul style="list-style-type: none"> <li>▪ Socio-economic context and the objectives expected to be attained (both directly and indirectly) through the pledging of conditional grants</li> <li>▪ Relationship between the objectives and the priorities</li> </ul>   |



| No. | Area of assessment   | Details to be investigated or assessed  |
|-----|--|---|
|     |  | established by Government <ul style="list-style-type: none"> <li>Consistency with the goals and objectives of the DBSA, the Government, and relevant Sector Departments</li> <li>Conclusions and Recommendations</li> </ul>   |
| 3   | Programme Identification, Feasibility, and Alternative Options | Assessment and analysis of, and conclusions in relation to: <ul style="list-style-type: none"> <li>The scope of the programmes (including indirect and network effects) funded by the DBSA in the identified municipalities, whose costs and benefits are going to be considered in the CBA study</li> <li>The feasibility of the DBSA-funded programmes in the municipalities – i.e. that there are no physical, legal, social, technical, institutional, environmental, political, etc. binding constraints:               <ul style="list-style-type: none"> <li>the demand for services,</li> <li>utilization of appropriate technology,</li> <li>utilization rate of the infrastructure created,</li> <li>availability of personnel, skills and management</li> <li>justification for the project design (location, scale, etc.) for the infrastructure created</li> <li>comparison with alternative scenarios – e.g. “business-as-usual”, “do minimum”, “do nothing”, “do something”, “do something else”</li> </ul> </li> <li>Key success factors (operational and policy) strengths, weaknesses, lessons learnt, etc.</li> <li>Conclusions and Recommendations</li> </ul> |
| 4   | Financial Analysis   | Financial analysis and conclusions based on a discounted cash flow approach considering: <ul style="list-style-type: none"> <li>Total investment costs</li> <li>Total operating costs and revenues</li> <li>Financial return on investment costs – FNPV(C), FRR(C), etc.)</li> <li>Sources of finance</li> <li>Financial sustainability</li> <li>Financial return on capital FNPV(K) and FRR(K)</li> <li>Impact on capital formation</li> <li>Conclusions and Recommendations</li> </ul>  |
| 5   | Economic and Socio-Economic Analysis                           | The CBA study requires an investigation of the pledging programmes’ net impact on economic welfare using the following steps: <ul style="list-style-type: none"> <li>Observed prices or public tariffs are converted into shadow prices that better reflect the social opportunity cost of the goods or services</li> <li>Externalities and social costs/social benefits are accounted for by being given monetary values</li> <li>Indirect effects not already covered by the shadow prices are included</li> <li>Costs and benefits are discounted with a real social discount rate relevant for the locality of the municipalities and end consumers</li> </ul>  |



| No. | Area of assessment | Details to be investigated or assessed  |
|-----|--------------------|---|
|     |                    | <ul style="list-style-type: none"> <li>▪ Economic performance indicators are calculated including economic net present value (ENPV), economic rate of return (ERR), and the benefit cost ratio (B/C ratio)</li> <li>▪ Conclusions and Recommendations</li> </ul>  |
| 6   | Risk Assessment    | <p>The CBA is to include an assessment of the risks of the DBSA-funded programmes in the four municipalities:</p> <ul style="list-style-type: none"> <li>▪ Sensitivity analysis – identification of critical variables, elimination of deterministically dependent variables, elasticity analysis, choice of critical variables, scenario analysis</li> <li>▪ Assumption of probability distribution for each critical variable</li> <li>▪ Calculation of the distribution of performance indicators – FNPV and ENPV</li> <li>▪ Discussion of results and acceptable levels of risk</li> <li>▪ Discussion of ways to mitigate risks, conclusions and recommendations</li> </ul> |

## 6. REQUIRED EXPERTISE AND QUALIFICATIONS

### 6.1 Expertise required

This service provider must demonstrate the following expertise which must be reflected on the curriculum vitae (CV) of the team leader.

- Proven project management skills
- Proven evaluation and or reviews on similar public sector initiatives
- Economic / Finance Analysis and Research experience
- Knowledge of organizational development;
- Proven experience on process consulting
- Proven facilitation skills
- Proven communication (written and presentation) skills
- Experience with programme/project design and budgeting
- Knowledge of municipal infrastructure delivery processes including management in South Africa;
- Knowledge of service delivery and infrastructure related policies and legislative requirements in South Africa;
- Proven knowledge of municipal legislation

The team leader must propose and present the CVs of the rest of the team members. The complete team must not be more than six (06) members including the team leader. The team leader must provide a short (no more than one page) motivation for each team member. The motivation must cover the work stream in relation to the ToRs and the expected output)



### **6.1.1 Qualifications**

The minimum qualification for the team leader must be a Tertiary qualification in Economics or Cost and Management Accounting or Finance with a minimum of four years' experience.

The minimum qualifications for the team members must be a three year qualification in the built environment and; economics and management sciences.

### **6.2 Timeframe (Project Duration)**

It is expected that the duration for this assignment shall not exceed six months at 960 hours in total from the date of the issuance of the letter of appointment or unless otherwise proposed and motivated differently in the inception report.

## **7. PROJECT DERLIVERABLES AND OUTCOMES**

The service provider will be expected to produce the following deliverables:

- 7.1** The work programme within five working days after the issuance of the appointment letter.
- 7.2** An inception report within 14 working days after the approval of the work programme.
- 7.3** Monthly progress reports as supporting documents to submitted invoices (to be submitted within seven working days after the last day of the month)
- 7.4** 8 copies of each municipal report (two reports per stakeholder per municipality) and a soft copy saved in 8 separate Compact Disk
- 7.5** 8 copies of the final and consolidated report (two reports per stakeholder) and a soft copy saved in 8 separate Compact Disk;
- 7.6** Contract close out report with recommendations (to be submitted 7 working days prior to the expiry of the contract)

All soft copies to be submitted as PDFs and as the Word version of each of the reports.\

## **8. PROJECT OUTCOMES**

The outcomes of this project shall be the following:

- A clearer understanding of the municipal institutional arrangement to support effective pledging, this must include the capacity and the capability aspects, and
- A clearer understanding of the processes, control points that need to be in place for the effective management of pledging going forward

## **9. REPORTING**

The appointed service provider will be required to report and make presentations to the National Treasury and any other structure(s) as the National Treasury may deem necessary.



## **10. LOGISTICS AND SCHEDULE OF ASSESSMENT**

### **10.1 Assumptions**

The success of the envisaged services to be provided depends on the following assumptions:

- a) The NT and key stakeholders assumes full and sustained responsibility for the implementation of the CBA;
- b) Sustained cooperation is received from the municipalities;
- c) There is ongoing and sustained involvement and cooperation of all stakeholders including the local communities;

### **10.2 Risk**

The availability of all relevant stakeholders to participate in this project coupled with the availability of key information to back-up the research.

### **10.3 Location where services are required**

The centre of appointment shall be Pretoria however it is anticipated that there is going to be extensive travelling to the identified municipalities and around Pretoria visiting the identified stakeholders.

### **10.4 Logistics**

The service provider will be responsible for providing own equipment necessary for the implementation of this assignment. The NT together with the responsible transferring department will be responsible for facilitating engagements with the identified municipalities.

## **11. SUBMISSION REQUIREMENTS**

The service provider will be expected to submit a responsive proposal which must cover the following:

- The service provider's understanding of the problem statement
- An approach toward the response to these terms of reference
- The methodology and the rationale behind the chosen methodology



### **11.1 Financial proposal/ costing structure**

The Financial proposal should clearly indicate the hourly rates of the proposed Team Leader and Team Members in a separate manner indicating the individual names. Five (5) percent of the contract value will be allocated for disbursements, which will be reimbursed on cost recovery basis.

## **12. ADDITIONAL REQUIREMENTS**

It is a requirement of this assignment that the individual identified and appointed as a leader should not be replaced during the course of this assignment.

## **13. EVALUATION METHODOLOGY (MATRIX)**

The evaluation will be a two stage process namely the technical submission and the budget. The two processes will be handled separately in the following manner:

- Stage one will assess the technical submission and will allocate the score. Only service providers (Teams) who obtain the minimum of seventy (70) points will proceed to the next stage.
- The next stage will be determination of price based and preference.

## **14. FUNCTIONAL EVALUATION**

**14.1** The panel members will individually conduct the functionality evaluation of individual CVs of the team leader and team members as per the evaluation criteria stipulated on the scorecards below:



## STAGE 1: TECHNICAL EVALUATION (FUNCTIONALITY)

### 1: Team

The panel will assess the CV of the team leader and team members in detail. In the submission, the team leader may submit no more than five CVs of team members who will be the support team to the team leader. The panel will only look at those CV.

The team leader must provide a short (no more than one page) motivation for each team member. The motivation must cover the work stream in relation to the ToR s and the expected output)

Team members will be evaluated based on the following requirements: The proposed team members should have a combination of the following three years Tertiary Qualification in the;

- Built Environment;
- Economics and Management Sciences

All team members must have a minimum of three years' experience in the relevant field of practise.

The evaluation criteria below is for the Team members (Team leader to complete)

| Team Member | Qualification | Years<br>Experience | of<br>Area of work | Accepted:<br>Yes/No (for<br>BEC use) |
|-------------|---------------|---------------------|--------------------|--------------------------------------|
|             |               |                     |                    |                                      |
|             |               |                     |                    |                                      |
|             |               |                     |                    |                                      |
|             |               |                     |                    |                                      |
|             |               |                     |                    |                                      |





The evaluation criteria here below is for the Team Leader:

| No  | Evaluation Criteria   | Weight | Scoring Criteria   |
|-----|---|--------|--|
| 1   | <b>Qualifications</b>   |        |  |
| 1.1 | <ul style="list-style-type: none"> <li>Economics or a qualification in Cost and Management Accounting or Finance</li> </ul> | 20     | 5 = Masters<br>4 = Honours<br>3 = Degree or equivalent<br>2 = Diploma<br>1 = Post Matric certificate   |
| 2   | <b>Experience</b>   |        |  |
| 2.1 | <ul style="list-style-type: none"> <li>Proven evaluation and or reviews on similar public sector initiatives</li> </ul>     | 10     | 5 = >10 years<br>4 = 8-10 years<br>3 = 6-7 years<br>2 = 4-5 years<br>1 = < 4 years   |
| 2.2 | <ul style="list-style-type: none"> <li>Economic / Finance Analysis and Research experience</li> </ul>                       | 10     | 5 = > 7 years<br>4 = 5-6 years<br>3 = 4-5 years<br>2 = 3-4 years<br>1 = < 3 year   |
| 2.3 | <ul style="list-style-type: none"> <li>Knowledge of organizational development</li> </ul>                                   | 10     | 5 =<br>4 =<br>3 = Substantial demonstration of knowledge (knowledge is demonstrated and there are elements of implementation support as well)<br>2 = Limited demonstration of knowledge (knowledge is demonstrated but lack the application aspect)<br>1 = No demonstration of knowledge |
| 2.4 | <ul style="list-style-type: none"> <li>Proven experience on process consulting and facilitation</li> </ul>                  | 10     | 3 = Knowledge demonstrated on the CV and indication of support reflected on the CV as well.<br>2 = Knowledge demonstrated on the CV but not applied<br>1 = No knowledge demonstrated on the CV   |



|             |   |     |  |
|-------------|---|-----|--|
| 2.5         | <ul style="list-style-type: none"> <li>Experience with programme/project design and budgeting</li> </ul>  | 10  | 5 = > 6 years<br>4 = 5-6 years<br>3 = 4-5 years<br>2 = 3-4 years<br>1 = < 3 year       |
| 2.6         | <ul style="list-style-type: none"> <li>Knowledge of municipal infrastructure delivery processes including management in South Africa.</li> </ul>                  | 10  | 5 = >10 years<br>4 = 7-10 years<br>3 = 2-5 years<br>2 = 1-2 years<br>1 = < 1 year      |
| 2.7         | <ul style="list-style-type: none"> <li>Knowledge of service delivery and infrastructure related policies and legislative requirements in South Africa;</li> </ul> | 10  | 5 = >10 years<br>4 = 5-10 years<br>3 = 2-5 years<br>2 = 1-2 years<br>1 = < 1 year      |
| 2.8         | <ul style="list-style-type: none"> <li>Proven knowledge of municipal legislation</li> </ul>   | 10  | 5 = > 10 years<br>4 = > 5-10 years<br>3 = > 2-5 years<br>2 = 1-2 years<br>1 = < 1 year |
| TOTAL SCORE |   | 100 |  |
| THRESHOLD   |   | 70% |  |

## STAGE 2 EVALUATIONS: PRICE AND PREFERENCE

Only the Teams who score a minimum of 70 points will be considered for Price and Preference Evaluations.

The Price Proposals should clearly indicate the hourly rates of the proposed Team Leader and Team Members in a separate manner indicating the individual names and the Total Price proposal for the entire team should be clear (this amount should exclude the percentage allocated for the disbursements)



**15. Briefing session:**

Potential Service providers will be invited to a compulsory briefing session which will be held at the National Treasury, Pretoria. Service providers will be responsible for arranging their own parking

**16. TECHNICAL ENQUIRIES**

Contact Person: Thabisa Myolwa

Email: [Thabisa.Myolwa@treasury.gov.za](mailto:Thabisa.Myolwa@treasury.gov.za)





**SPECIAL REQUIREMENTS AND CONDITIONS OF CONTRACT**

**NT020-2016**

**APPOINTMENT OF A PROFESSIONAL SERVICES PROVIDER FOR THE COST AND BENEFIT ASSESSMENT OF THE IMPLEMENTATION OF THE SECTION 8(4) OF THE DIVISION OF REVENUE ACT (2015) FOR THE PERIOD OF 6 MONTH.**

**CLOSING DATE: 25 October 2016**

**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. SPECIAL CONDITIONS OF CONTRACT**

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

## **1. EVALUATION PROCESS**

**1.1** The evaluation process comprises the following stages:

### **1.1.1 Stage 1: Initial screening process:**

- a. During this phase bid documents will be reviewed to determine compliance with tax matters and whether original and valid tax clearance certificates have been submitted with the bid documents at closing date and time of bid.

### **1.1.2 Stage 2: Technical Evaluation:**

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

## **Evaluation Criteria**

Evaluation process will be conducted in accordance with the mandatory requirements, technical suitability and the provision of the PPPFA as specified in the Special Conditions of the Contract. Below is an indication of the general evaluation criteria for the bid, The evaluation criteria and scoring will be tailored to respond to the requirements of the individual positions as identified in the scope of work. Please note that each of the activities listed under the heading, Approach and Methodology will be scored separately during the evaluation process

| <b>No</b>  | <b>Evaluation Criteria</b>  | <b>Weight</b> | <b>Scoring Criteria</b>  |
|------------|---|---------------|--|
| <b>1</b>   | <b>Qualifications</b>   |               |  |
| <b>1.1</b> | <ul style="list-style-type: none"> <li>Economics or a qualification in Cost and Management Accounting or Finance</li> </ul> | <b>20</b>     | 5 = Masters<br>4 = Honours<br>3 = Degree or equivalent<br>2 = Diploma<br>1 = Post Matric certificate |
| <b>2</b>   | <b>Experience</b>   |               |  |
| <b>2.1</b> | <ul style="list-style-type: none"> <li>Proven evaluation and or reviews on similar public sector initiatives</li> </ul>     | <b>10</b>     | 5 = >10 years<br>4 = 8-10 years<br>3 = 6-7 years<br>2 = 4-5 years<br>1 = < 4 years                   |
| <b>2.2</b> | <ul style="list-style-type: none"> <li>Economic / Finance Analysis and Research experience</li> </ul>                       | <b>10</b>     | 5 = > 7 years<br>4 = 5-6 years<br>3 = 4-5 years<br>2 = 3-4 years<br>1 = < 3 year                     |

**APPOINTMENT OF A PROFESSIONAL SERVICES PROVIDER FOR THE COST AND BENEFIT ASSESSMENT OF THE IMPLEMENTATION OF THE SECTION 8(4) OF THE DIVISION OF REVENUE ACT (2015) FOR THE PERIOD OF 6 MONTH.**

|                    |   |            |  |
|--------------------|---|------------|--|
| 2.3                | <ul style="list-style-type: none"> <li>Knowledge of organizational development</li> </ul>   | 10         | 5 =<br>4 =<br>3 = Substantial demonstration of knowledge (knowledge is demonstrated and there are elements of implementation support as well)<br>2 = Limited demonstration of knowledge (knowledge is demonstrated but lack the application aspect)<br>1 = No demonstration of knowledge |
| 2.4                | <ul style="list-style-type: none"> <li>Proven experience on process consulting and facilitation</li> </ul>  | 10         | 3 = Knowledge demonstrated on the CV and indication of support reflected on the CV as well.<br>2 = Knowledge demonstrated on the CV but not applied<br>1 = No knowledge demonstrated on the CV   |
| 2.5                | <ul style="list-style-type: none"> <li>Experience with programme/project design and budgeting</li> </ul>  | 10         | 5 = > 6 years<br>4 = 5-6 years<br>3 = 4-5 years<br>2 = 3-4 years<br>1 = < 3 year   |
| 2.6                | <ul style="list-style-type: none"> <li>Knowledge of municipal infrastructure delivery processes including management in South Africa.</li> </ul>                  | 10         | 5 = >10 years<br>4 = 7-10 years<br>3 = 2-5 years<br>2 = 1-2 years<br>1 = < 1 year  |
| 2.7                | <ul style="list-style-type: none"> <li>Knowledge of service delivery and infrastructure related policies and legislative requirements in South Africa;</li> </ul> | 10         | 5 = >10 years<br>4 = 5-10 years<br>3 = 2-5 years<br>2 = 1-2 years<br>1 = < 1 year  |
| 2.8                | <ul style="list-style-type: none"> <li>Proven knowledge of municipal legislation</li> </ul>   | 10         | 5 = > 10 years<br>4 = > 5-10 years<br>3 = > 2-5 years<br>2 = 1-2 years<br>1 = < 1 year   |
| <b>TOTAL SCORE</b> |   | <b>100</b> |  |



**APPOINTMENT OF A PROFESSIONAL SERVICES PROVIDER FOR THE COST AND BENEFIT ASSESSMENT OF THE IMPLEMENTATION OF THE SECTION 8(4) OF THE DIVISION OF REVENUE ACT (2015) FOR THE PERIOD OF 6 MONTH.**

|  |                  |            |  |
|--|------------------|------------|--|
|  | <b>THRESHOLD</b> | <b>70%</b> |  |
|--|------------------|------------|--|

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

**1 – Poor; 2 – Below Average, 3-Good, 4-Very Good, 5-Excellent**

- f. 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.
- g. This score will be converted to a percentage and **only** bidders that have met or exceeded the minimum threshold of 70 percent for functionality will be evaluated and scored in terms of pricing and socio economic goals as indicated hereunder.
- h. Any proposal not meeting a minimum score of 70 percent in the technical proposal will be disqualified and the financial proposal will remain unopened.

**1.2.3 Stage 2: Price/Financial stage:**

Price will be evaluated as indicated below (paragraph 2).

**2. EVALUATION CRITERIA**

- a. In terms of regulation 5 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated by the State on the 90/10-preference point for Broad-Based Black economic empowerment in terms of which points are awarded to bidders on the basis of:
- The bid price (maximum 90 points)
  - Broad-based black Economic Empowerment as well as specific goals (maximum 10 points)
- b. The following formula will be used to calculate the points for price in respect of bidders with a Rand value above R1 000 000:

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

Where

**APPOINTMENT OF A PROFESSIONAL SERVICES PROVIDER FOR THE COST AND BENEFIT ASSESSMENT OF THE IMPLEMENTATION OF THE SECTION 8(4) OF THE DIVISION OF REVENUE ACT (2015) FOR THE PERIOD OF 6 MONTH.**

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

$P_t$  = Comparative price of bid under consideration

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

A maximum of 10 points may be awarded to a bidder for being a Broad-Based Black Economic Empowerment and/or subcontracting with a Broad-Based Black Economic Empowerment stipulated in the Preferential Procurement regulations. For this bid the maximum number of Broad-based black Economic Empowerment status that could be allocated to a bidder is indicated in paragraph 2.1.

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

## 2.1 POINTS

The Preferential Procurement Policy Framework Act 2000 (PPPFA) Regulations were gazetted on 8 June 2011 (No. 34350) and effective from 7 December 2011. These regulations require bidders to submit valid original or certified copies of their B-BBEE Status Level Certificates from a SANAS accredited verification agency and accredited Auditing firm, the 90/10 preference points systems will be applied in accordance with the formula and applicable points provided for in the respective status level contributor tables in the Regulations

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

**APPOINTMENT OF A PROFESSIONAL SERVICES PROVIDER FOR THE COST AND BENEFIT ASSESSMENT OF THE IMPLEMENTATION OF THE SECTION 8(4) OF THE DIVISION OF REVENUE ACT (2015) FOR THE PERIOD OF 6 MONTH.**

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

- a. The points scored by a bidder in respect of the points indicated above will be added to the points scored for price.
- b. Bidders are requested to complete the various preference claim forms in order to claim preference points.
- c. Only a bidder who has completed and signed the declaration part of the preference claim form will be considered for B-BBEE status.
- d. Supply Chain Management may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to B-BBEE status.
- e. Points scored will be rounded off to the nearest 2 decimals.
- f. In the event that two or more bids have scored equal total points, the contract will be awarded to the bidder scoring the highest number of points for B-BBEE status. Should two or more bids be equal in all respects, the award shall be decided by drawing of lots.
- 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**

- Tax clearance certificate as per paragraph 4;
- Registration summary report from Central Supplier Database;
- Certified copies of all qualifications and credentials.
- Compulsory Briefing Session as per paragraph 13.1;

***FAILURE TO ADHERE TO THE CONDITION WILL LEAD TO THE BID BEING INVALIDATED.***

**4. TAX CLEARANCE CERTIFICATE**

An original and valid Tax Clearance Certificate issued by the South African Revenue Services certifying that the taxes of the bidder are in order must be submitted at the closing date and time. Failure to comply with this condition may invalidate the bid.

**5. VALUE ADDED TAX**

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

**APPOINTMENT OF A PROFESSIONAL SERVICES PROVIDER FOR THE COST AND BENEFIT ASSESSMENT OF THE IMPLEMENTATION OF THE SECTION 8(4) OF THE DIVISION OF REVENUE ACT (2015) FOR THE PERIOD OF 6 MONTH.**

**6. REGISTRATION**

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

**7. CLIENT BASE**

7.1 Bidders must have specific experience in submit at least three recent references (in a form of written proof(s) on their company's letterhead including relevant person (s), telephone, fax numbers and e-mails) of similar work undertaken.

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

**8. SHAREHOLDERS/DIRECTORS PORTFOLIO**

8.1 The bidder shall submit copies of the company's shareholding portfolio with the bid documents at the closing date and time of the bid.

**9. COMMUNICATION**

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

**10. COUNTER CONDITIONS**

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

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

### **13. PRESENTATION**

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

#### **13.1 COMPULSORY BRIEFING SESSION:**

Date: 07 October 2016

Time: 12:00

Venue: Department of National Treasury

240 Madiba Street, Pretoria, 0001

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

### **14. TIMEFRAMES AND FORMAL CONTRACT**

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

### **15. 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:

#### **15.1.1 FUNCTIONALITY/TECHNICAL PROPOSAL**

Bid No: NT020-2016

Description: Appointment of a professional services provider for the cost and benefit assessment of the implementation of the section 8(4) of the division of revenue act (2015) for the period of 6 month.

**Bid closing date and time:** 25 October 2016 at 11:00.

**NB: No late bids will be accepted, such bids will be returned to the bidder unopened.**

Name and address of the bidder:

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

### 15.1.2 PRICE/ FINANCIAL PROPOSAL

Bid No: NT020-2016

Description: Appointment of a professional services provider for the cost and benefit assessment of the implementation of the section 8(4) of the division of revenue act (2015) for the period of 6 month.

**Bid closing date and time:** 25 October 2016 at 11:00

**NB: No late bids will be accepted, such bids will be returned to the bidder unopened.**

Name and address of the bidder:

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

**The Technical Proposal envelope and the Price/ financial Proposal envelope shall contain one original hard copy document, clearly marked "Original", and four (4) hardcopies, clearly marked "Copy" (i.e. four documents to be included in each envelope).**

### 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:** Mthokozisi Ngcobo / Thivhileli Matshinyatsimbi

E-mail: [Mthokozisi.Ngcobo@treasury.gov.za/](mailto:Mthokozisi.Ngcobo@treasury.gov.za)

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

**For Technical enquiries:** Thabisa Myolwa

Email: [Thabisa.Myolwa@treasury.gov.za](mailto:Thabisa.Myolwa@treasury.gov.za)





**PRICING SCHEDULE**  
(Professional Services)

NAME OF BIDDER: ..... BID NO: NT020-2016

CLOSING TIME 11:00 ON 25 October 2016

OFFER TO BE VALID FOR 60 DAYS FROM THE CLOSING DATE OF BID.

| ITEM<br>NO | DESCRIPTION | BID PRICE IN RSA CURRENCY<br>INCLUSIVE OF <u>VALUE ADDED TAX</u> |
|------------|-------------|--|
|------------|-------------|--|

**APPOINTMENT OF A PROFESSIONAL SERVICES PROVIDER FOR THE COST AND BENEFIT ASSESSMENT OF THE IMPLEMENTATION OF THE SECTION 8(4) OF THE DIVISION OF REVENUE ACT (2015) FOR THE PERIOD OF 6 MONTHS.**

1. 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**

Contact Person: Mthokozisi Ngcobo / Thivhileli Matshinyatsimbi

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

Any enquiries regarding technical enquiries may be directed to –

Contact Person: Thabisa Myolwa

Email: [Thabisa.Myolwa@treasury.gov.za](mailto:Thabisa.Myolwa@treasury.gov.za)

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



## SBD 4

## DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state<sup>1</sup>, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes an advertised competitive bid, a limited bid, a proposal or written price quotation). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-

- the bidder is employed by the state; and/or

- the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

2. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

2.1 Full Name of bidder or his or her representative: .....

2.2 Identity Number:.....

2.3 Position occupied in the Company (director, trustee, shareholder<sup>2</sup>, member):  
.....

2.4 Registration number of company, enterprise, close corporation, partnership agreement or trust:  
.....

2.5 Tax Reference Number: .....

2.6 VAT Registration Number: .....

- 2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / PERSAL numbers must be indicated in paragraph 3 below.

<sup>1</sup>"State" means -

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

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

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

2.7.1 If so, furnish the following particulars:

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

Any other particulars:

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

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

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

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

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

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

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

2.8.1 If so, furnish particulars:

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

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

2.9.1 If so, furnish particulars.

.....

2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid?

**2.10.1 If so, furnish particulars.**

2.11 Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract?

**2.11.1 If so, furnish particulars:**

### 3 Full details of directors / trustees / members / shareholders.

[illegible]

**4 DECLARATION**

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

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

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of bidder

November 2011

This document must be signed and submitted together with your bid

## THE NATIONAL INDUSTRIAL PARTICIPATION PROGRAMME

### INTRODUCTION

The National Industrial Participation (NIP) Programme, which is applicable to all government procurement contracts that have an imported content, became effective on the 1 September 1996. The NIP policy and guidelines were fully endorsed by Cabinet on 30 April 1997. In terms of the Cabinet decision, all state and parastatal purchases / lease contracts (for goods, works and services) entered into after this date, are subject to the NIP requirements. NIP is obligatory and therefore must be complied with. The Industrial Participation Secretariat (IPS) of the Department of Trade and Industry (DTI) is charged with the responsibility of administering the programme.

### 1 PILLARS OF THE PROGRAMME

- 1.1 The NIP obligation is benchmarked on the imported content of the contract. Any contract having an imported content equal to or exceeding US\$ 10 million or other currency equivalent to US\$ 10 million will have a NIP obligation. This threshold of US\$ 10 million can be reached as follows:
  - (a) Any single contract with imported content exceeding US\$10 million.
  - or
  - (b) Multiple contracts for the same goods, works or services each with imported content exceeding US\$3 million awarded to one seller over a 2 year period which in total exceeds US\$10 million.
  - or
  - (c) A contract with a renewable option clause, where should the option be exercised the total value of the imported content will exceed US\$10 million.
  - or
  - (d) Multiple suppliers of the same goods, works or services under the same contract, where the value of the imported content of each allocation is equal to or exceeds US\$ 3 million worth of goods, works or services to the same government institution, which in total over a two (2) year period exceeds US\$10 million.
- 1.2 The NIP obligation applicable to suppliers in respect of sub-paragraphs 1.1 (a) to 1.1 (c) above will amount to 30 % of the imported content whilst suppliers in respect of paragraph 1.1 (d) shall incur 30% of the total NIP obligation on a *pro-rata* basis.
- 1.3 To satisfy the NIP obligation, the DTI would negotiate and conclude agreements such as investments, joint ventures, sub-contracting, licensee production, export promotion, sourcing arrangements and research and development (R&D) with partners or suppliers.

- 1.4 A period of seven years has been identified as the time frame within which to discharge the obligation.

## **2 REQUIREMENTS OF THE DEPARTMENT OF TRADE AND INDUSTRY**

- 2.1 In order to ensure effective implementation of the programme, successful bidders (contractors) are required to, immediately after the award of a contract that is in excess of **R10 million** (ten million Rands), submit details of such a contract to the DTI for reporting purposes.

- 2.2 The purpose for reporting details of contracts in excess of the amount of R10 million (ten million Rands) is to cater for multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as provided for in paragraphs 1.1.(b) to 1.1. (d) above.

## **3 BID SUBMISSION AND CONTRACT REPORTING REQUIREMENTS OF BIDDERS AND SUCCESSFUL BIDDERS (CONTRACTORS)**

- 3.1 Bidders are required to sign and submit this Standard Bidding Document (SBD 5) together with the bid on the closing date and time.

- 3.2 In order to accommodate multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as indicated in sub-paragraphs 1.1 (b) to 1.1 (d) above and to enable the DTI in determining the NIP obligation, successful bidders (contractors) are required, immediately after being officially notified about any successful bid with a value in excess of R10 million (ten million Rands), to contact and furnish the DTI with the following information:

- Bid / contract number.
- Description of the goods, works or services.
- Date on which the contract was accepted.
- Name, address and contact details of the government institution.
- Value of the contract.
- Imported content of the contract, if possible.

- 3.3 The information required in paragraph 3.2 above must be sent to the Department of Trade and Industry, Private Bag X 84, Pretoria, 0001 for the attention of Mr Elias Malapane within five (5) working days after award of the contract. Mr Malapane may be contacted on telephone (012) 394 1401, facsimile (012) 394 2401 or e-mail at [Elias@thedti.gov.za](mailto:Elias@thedti.gov.za) for further details about the programme.

## **4 PROCESS TO SATISFY THE NIP OBLIGATION**

- 4.1 Once the successful bidder (contractor) has made contact with and furnished the DTI with the information required, the following steps will be followed:

- a. the contractor and the DTI will determine the NIP obligation;
- b. the contractor and the DTI will sign the NIP obligation agreement;



- c. the contractor will submit a performance guarantee to the DTI;
- d. the contractor will submit a business concept for consideration and approval by the DTI;
- e. upon approval of the business concept by the DTI, the contractor will submit detailed business plans outlining the business concepts;
- f. the contractor will implement the business plans; and
- g. the contractor will submit bi-annual progress reports on approved plans to the DTI.

4.2 The NIP obligation agreement is between the DTI and the successful bidder (contractor) and, therefore, does not involve the purchasing institution.

|                      |                      |
|----------------------|----------------------|
| Bid number .....     | Closing date:.....   |
| Name of bidder.....  |                      |
| Postal address ..... |                      |
| .....                |                      |
| Signature.....       | Name (in print)..... |
| Date.....            |                      |



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

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

**NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2011.**

### 1. GENERAL CONDITIONS

- 1.1 The following preference point systems are applicable to all bids:
- the 80/20 system for requirements with a Rand value of up to R1 000 000 (all applicable taxes included); and
  - the 90/10 system for requirements with a Rand value above R1 000 000 (all applicable taxes included).
- 1.2 The value of this bid is estimated to exceed R1 000 000 (all applicable taxes included) and therefore the.....90/10..... preference point system shall be applicable.
- 1.3 Preference points for this bid shall be awarded for:
- (a) Price; and
  - (b) B-BBEE Status Level of Contribution.
- 1.4 The maximum points for this bid are allocated as follows:

|  | POINTS     |
|--|------------|
| <b>PRICE</b>   | 90         |
| <b>B-BBEE STATUS LEVEL OF CONTRIBUTION</b>               | 10         |
| <b>Total points for Price and B-BBEE must not exceed</b> | <b>100</b> |

- 1.5 Failure on the part of a bidder to submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS), or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or a sworn affidavit confirming annual turnover and level of black ownership in case of an EME and QSE together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.
- 1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.
- ### 2. DEFINITIONS
- (a) **“all applicable taxes”** includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
  - (b) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
  - (c) **“B-BBEE status level of contributor”** means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard

contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

- (d) **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;
- (e) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (f) **“comparative price”** means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration;
- (g) **“consortium or joint venture”** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;
- (h) **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;
- (i) **“EME”** means an Exempted Micro Enterprise as defines by Codes of Good Practice under section 9 (1) of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (j) **“Firm price”** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- (k) **“functionality”** means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;
- (l) **“non-firm prices”** means all prices other than “firm” prices;
- (m) **“person”** includes a juristic person;
- (n) **“QSE”** means a Qualifying Small EEnterprise as defines by Codes of Good Practice under section 9 (1) of the Broad-Based Black Economic Empowerment Act, 2003 ( Act No. 53 of 2003);
- (o) **“rand value”** means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;
- (p) **“sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
- (q) **“total revenue”** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette* on 9 February 2007;
- (r) **“trust”** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- (s) **“trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

### 3. ADJUDICATION USING A POINT SYSTEM

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

### 4. POINTS AWARDED FOR PRICE

#### 4.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

A maximum of 80 or 90 points is allocated for price on the following basis:

**80/20**

**or**

**90/10**

$$P_s = 80 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right) \quad \text{or} \quad P_s = 90 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

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

$P_t$  = Comparative price of bid under consideration

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

### 5. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTION

- 5.1 In terms of Regulation 5 (2) and 6 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

| B-BBEE Status Level of Contributor | Number of points (90/10 system) | Number of points (80/20 system) |
|------------------------------------|---------------------------------|---------------------------------|
| 1                                  | 10                              | 20                              |
| 2                                  | 9                               | 18                              |
| 3                                  | 8                               | 16                              |
| 4                                  | 5                               | 12                              |
| 5                                  | 4                               | 8                               |
| 6                                  | 3                               | 6                               |
| 7                                  | 2                               | 4                               |
| 8                                  | 1                               | 2                               |
| Non-compliant contributor          | 0                               | 0                               |

- 5.2 A bidder who qualifies as a EME in terms of the B-BBEE Act must submit a sworn affidavit confirming Annual Total Revenue and Level of Black Ownership.
- 5.3 A Bidder other than EME or QSE must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating

issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.

- 5.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 5.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- 5.6 Tertiary Institutions and Public Entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- 5.7 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.
- 5.8 A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

## 6. BID DECLARATION

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

## 7. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 5.1

- 7.1 B-BBEE Status Level of Contribution: . = ..... (maximum of 10 or 20 points)
- (Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or a sworn affidavit.

## 8. SUB-CONTRACTING

- 8.1 Will any portion of the contract be sub-contracted?  
(*Tick applicable box*)

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

- 8.1.1 If yes, indicate:

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

(*Tick applicable box*)

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

## 9. DECLARATION WITH REGARD TO COMPANY/FIRM

- 9.1 Name of company/firm:.....
- 9.2 VAT registration number:.....
- 9.3 Company registration number:.....

## 9.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

## 9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

.....

## 9.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

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

9.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contribution indicated in paragraph 7 of the foregoing certificate, qualifies the company/firm for the preference(s) shown and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 7, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –

- (a) disqualify the person from the bidding process;
- (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
- (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
- (d) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution.

**WITNESSES**

1. ....

2. ....

.....  
**SIGNATURE(S) OF BIDDERS(S)****DATE:** .....**ADDRESS** .....

.....

.....



## DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

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

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

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

**SBD 8**

### CERTIFICATION

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

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

.....  
**Signature**

.....  
**Date**

.....  
**Position**

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

Js365bW

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

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

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

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

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

---

(Bid Number and Description)

in response to the invitation for the bid made by:

---

(Name of Institution)

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

I certify, on behalf of: \_\_\_\_\_ that:  
(Name of Bidder)

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

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
  - (a) prices;
  - (b) geographical area where product or service will be rendered (market allocation)
  - (c) methods, factors or formulas used to calculate prices;
  - (d) the intention or decision to submit or not to submit, a bid;
  - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
  - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

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

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder

Js914w 2

DEPARTMENT OF NATIONAL TREASURY



PLEASE COMPLETE QUESTIONNAIRE A OR B

**Contractors'/Suppliers' Questionnaire – 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

| Question  | Yes | No |
|---|-----|----|
| 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

| Question |   | Yes | No |
|----------|---|-----|----|
|          | 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>           |
|                                     |                  |                        |



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

| Question |   | Yes | No |
|----------|---|-----|----|
|          | 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>           |
|                                     |                  |                        |



**GOVERNMENT PROCUREMENT**  
**GENERAL CONDITIONS OF CONTRACT**

**NOTES**

The purpose of this document is to:

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

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

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

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## **General Conditions of Contract**

### **1. Definitions**

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

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

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

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|--|--|
| <b>2. Application</b>  | <p>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.</p> <p>2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.</p> <p>2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.</p>   |
| <b>3. General</b>  | <p>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.</p> <p>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 <a href="http://www.treasury.gov.za">www.treasury.gov.za</a></p>  |
| <b>4. Standards</b>  | <p>4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.</p>  |
| <b>5. Use of contract documents and information; inspection.</b> | <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> |
| <b>6. Patent rights</b>  | <p>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.</p>   |
| <b>7. Performance security</b>                                   | <p>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.</p>   |

- 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.

- |   |  |
|---|--|
| <b>16. Payment</b>                              | <p>16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.</p> <p>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.</p> <p>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.</p> <p>16.4 Payment will be made in Rand unless otherwise stipulated in SCC.</p>  |
| <b>17. Prices</b>                               | <p>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.</p>   |
| <b>18. Contract amendments</b>                  | <p>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.</p>  |
| <b>19. Assignment</b>                           | <p>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.</p>  |
| <b>20. Subcontracts</b>                         | <p>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.</p>  |
| <b>21. Delays in the supplier's performance</b> | <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> |

- 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.



# NATIONAL TREASURY REPUBLIC OF SOUTH AFRICA

## ENTITY MAINTENANCE

BAS

☐

LOGIS

☐

### For Office Use Only

Requested by

Approved by

Captured by

Date captured

Authorised by

Date authorised

Captured on Safety web

Yes

No

### The Director-General: National Treasury

1. I/We hereby request and authorise you to pay any amounts, which may accrue to me/us to the credit of my/our account with the mentioned bank.
2. I/we understand that the credit transfers hereby authorised will be processed by computer through a system known as "ACB - Electronic Fund Transfer Service", and I/we understand that not additional advice of payment will be provided by my/our bank, but that the details of each payment will be printed on my/our bank statement or any accompanying voucher. (This does not apply where it is not customary for banks to furnish bank statements).
3. I/we understand that the Department will supply a payment advice in the normal way, and that it will indicate the date on which the funds will be made available on my/our account.
4. This authority may be cancelled by me/us by giving thirty days notice by prepaid registered post.
5. Information must be validated as per required bank screens.
6. I/We understand that the bank details provided should be exactly as per the records held by the bank.
7. I/We understand that the Department will not assume responsibility for any delayed payments due to incorrect information supplied.

### Company / Personal Details

Registered Name

Trading Name

Tax Number

VAT Number

Title

Initials

First Name

Surname

### Address Detail

Payment Address

Postal Code

### Entity Number Type

New entity information ☐

☐ Update entity information

Entity Type:

☐ Individual

☐ Department (Nat)

☐ Prov Gov (ES)

☐ Supplier

☐ Department (Prov)

☐ Loc Authorities

☐ Foreign Supplier

☐ Prov Gov (CG)

☐ Other

Department Number

Logis Supplier Number

## Entity Bank Account Details

**Please note that this account MUST be in the name of the entity. No 3rd party payments allowed.**

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| <input type="checkbox"/> | Savings Account        |
| <input type="checkbox"/> | Transmission Account   |
| <input type="checkbox"/> | Bond Account           |
| <input type="checkbox"/> | Other (Please Specify) |

Other (Please Specify)

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\* Please include CC/BK where applicable

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BANK STAMP

### NEDBANK - Banking Platform under the Client Details Tab

## Contact Details

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|  |
| Entity Signature   |
|  |
| Print Name   |
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| <div style="border: 1px solid black; display: inline-block; width: 100px; height: 20px; position: relative;"> <span style="position: absolute; left: 20px; top: 5px;"> </span> <span style="position: absolute; left: 30px; top: 5px;"> </span> <span style="position: absolute; left: 40px; top: 5px;"> </span> <span style="position: absolute; left: 50px; top: 5px;"> </span> <span style="position: absolute; left: 60px; top: 5px;"> </span> <span style="position: absolute; left: 70px; top: 5px;"> </span> <span style="position: absolute; left: 80px; top: 5px;"> </span> <span style="position: absolute; left: 90px; top: 5px;"> </span> </div> |
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**Contact no: 012 315 5562**

**NB: All relevant fields must be completed**