



GUATENG GROWTH AND DEVELOPMENT AGENCY

INVITATION TO BID (OPEN TENDER)

DATE OF ISSUE: 14 OCTOBER 2016

**YOU ARE HEREBY INVITED TO BID FOR THE REQUIREMENTS OF GAUTENG
GROWTH AND DEVELOPMENT AGENCY**

BID NUMBER: GGDA/21/2016-17/IA

CLOSING DATE: 07 NOVEMBER 2016

CLOSING TIME: 11:00

BID VALIDITY PERIOD: 90 DAYS

BRIEFING SESSION (COMPULSORY): 20 OCTOBER 2016 AT 11H00

**VENUE: 15TH FLOOR, 124 MAIN STREET, JOHANNESBURG
(GGDA OFFICES)**

**DESCRIPTION: APPOINTMENT OF INDEPENDENT INTERNAL AUDIT
SERVICE PROVIDER TO MAINTAIN AND PROVIDE A
WORLD-CLASS CO-SOURCED INTERNAL AUDIT
SERVICE.**

**BID SUBMISSION REQUIREMENTS: 2 ENVELOPES.
SUBMISSIONS MUST BE SUBMITTED IN ONE
ORIGINAL AND ONE COPY**

**TECHNICAL (1 ORIGINAL AND 1 COPY)
FINANCIAL (1 ORIGINAL AND 1 COPY)**

BID DOCUMENTS MUST BE DEPOSITED IN THE BID BOX SITUATED AT:

**15TH FLOOR
124 MAIN STREET
JOHANNESBURG**

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CONDITIONS FOR COMPLETING BID DOCUMENTS

Document	Comments	Submitted? (Yes / No)
SBD 1 (Invitation to bid)	Make sure it is signed	
SBD 2 (Tax Clearance Certificate)	Certificate must be original and valid	
SBD 3.3 (Pricing schedule)	Filled or refer to an Annexure or addendum where price is mentioned	
SBD 4 (Declaration of interest)	Make sure it is signed	
SBD 6.1 and 6.3 (Preference Points in terms of PPPFA of 2001)	Make sure it is completed and points claimed are allocated as per BBBEE certificate	
SBD 8 (Declaration of Bidder's past supply chain management practices)	Make sure it is signed	
SBD 9 (Certificate of Independent Bid Determination)	Make sure it is signed	
Certified copies of Original of Company Registration Documentation NB: Certification stamp must be original and no more than 3 months old as at date of closing of tender	1. certificate of registration, 2. change of name certificate (if applicable) 3. register of directors, and most current registered business address (Company Registration: CM1 and CK1, Change of Name Certificate:CM9, Latest Registered address: CM22,Most current register of directors CM29 and CK2)	
Total Bid Price	Total bid price must be completed on the SBD1 form	
Vat Registration Certificate	If applicable	
BBBEE Certificate & BBBEE Statement	Valid certified copies must be submitted	
Company Profile	Include structure of the company	
Certified copies of Share Certificates	For all current shareholders if applicable	
Certified copies of identity documents	For all current shareholders / members	

IF ANY OF THE ABOVEMENTIONED CONDITIONS IS NOT MET AND/OR ANY OF THE REQUESTED DOCUMENTS ARE NOT SUBMITTED AS PRESCRIBED, THE BID EVALUATION COMMITTEE SHALL HAVE THE DISCRETION TO DISQUALIFY THE BID

1. Bid Documents must be completed with ink (Blue or black) and not typed. No tippex is allowed. All changes must be scratched out and a signature appended next to each change.
2. All certified documents must be within the current six (6) months. Copies of previously certified documents will not be accepted and may result in automatic disqualification.
3. Bid documents must be secured together preferably bound or contained in a lever arch file as Gauteng Growth and Development Agency will not take any responsibility for any loss of documents as a result of not being properly secured upon submission.

PART A

YOU ARE HEREBY INVITED TO BID FOR THE REQUIREMENTS OF GAUTENG GROWTH AND DEVELOPMENT AGENCY

BID NUMBER: **GGDA/21/2016-17/IA** CLOSING DATE: **07/11/2016** TIME: **11:00**

DESCRIPTION: APPOINTMENT OF INDEPENDENT INTERNAL AUDIT SERVICE PROVIDER TO MAINTAIN AND PROVIDE A WORLD-CLASS CO-SOURCED INTERNAL AUDIT SERVICE

BID DOCUMENTS MUST BE DEPOSITED IN THE BID BOX SITUATED AT:

**Gauteng Growth & Development Agency
15TH Floor
124 Main Street
JOHANNESBURG
2001**

Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration. The bid box is generally open 24 hours a day, 7 days a week.

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

THIS BID IS SUBJECT TO THE 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.....

CELL PHONE NUMBER.....

FACSIMILE NUMBER CODE..... NUMBER.....

VAT REGISTRATION NUMBER.....

HAS A TAX CLEARANCE CERTIFICATE BEEN SUBMITTED? YES/NO

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

(IF YES ENCLOSE PROOF)

SIGNATURE OF BIDDER:.....DATE:

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

TOTAL BID PRICE.....

A.1.1. CONDITIONS OF BIDDING

1 Proprietary Information

- 1.1 Gauteng Growth and Development Agency considers this tender and all related information, either written or verbal, which is provided to the respondent, to be proprietary to GGDA. It shall be kept confidential by the respondent and its officers, employees, agents and representatives. The respondent shall not disclose, publish, or advertise this specification or related information to any third party without the prior written consent of GGDA.

2 Enquiries

- 2.1 All communication and attempts to solicit information of any kind relative to this tender should be in writing and channeled to: Email address: nkinam@ggda.co.za
- 2.2 *Bidders may not contact any other GGDA employee besides contact person mentioned on Paragraph 2.1 above on any matter pertaining to the bid from the time when bid is advertised to the time the bid is awarded. Any effort by a bidder to influence bid evaluation, bid comparisons or bid award decisions in any manner, may result in rejection of the bid concerned.*

- 2.3 All the documentation submitted in response to this tender must be in English.

- 2.4 The Bidder should check the numbers of the pages to satisfy themselves that none are missing or duplicated. No liability will be accepted by GGDA in regard to anything arising from the fact that pages are missing or duplicated.

3 Validity Period

- 3.1 Responses to this tender received from suppliers will be valid for a period of **90 days** counted from the closing date of the tender.

4 Submission of Tenders

- 4.1 Tenders should be submitted in duplicate all bound in a sealed envelope endorsed, **GGDA/21/2016-17/IA**. The sealed envelope must be placed in the tender box at 124 Main Street, Johannesburg by no later than **11h00 on 07 NOVEMBER 2016**.
- 4.2 The closing date, company name and the return address must also be endorsed on the envelope. If a courier service company is being used for delivery of the bid document, the bid description must be endorsed on the delivery note/courier packaging to ensure that documents are delivered into the BID BOX.
- 4.3 No bid received by telegram, telex, email, facsimile or similar medium will be considered. Where a tender document is not in the tender box at the time of the bid closing, such a bid document will be regarded as a late bid. Late bids will not be considered.
- 4.4 Amended bids may be sent, together with the original bid, in an envelope marked "Amendment to bid" and should be placed in the bid box before the closing date and time. An amendment bids without original bid document will not be considered.
- 4.5 The bidder is responsible for all the cost that they shall incur related to the preparation and submission of the bid document.

- 4.6 Kindly note that **GGDA** is entitled to amend any bid conditions, validity period, specifications, or extend the closing date of bids before the closing date. All bidders, to whom the bid documents have been issued, will be advised in writing of such amendments in good time.
- 4.7 **GGDA** reserves that right not to accept the lowest bid of any tender in part or in whole. It normally awards the contract to the bidder who proves to be fully capable of handling the contract and also financially advantageous to **GGDA**.
- 4.8 GGDA also reserves the right to award this bid to a purely empowerment company or may award this bid on conditions that a joint venture with an empowerment company is formed. This may be added to the criteria when evaluating the bids.
- 4.9 GGDA also reserves the right to award this bid as a whole or in part without furnishing reasons.
- 4.10 GGDA reserves the right to, amongst other things, conduct unscheduled or scheduled site visit/s to satisfy itself, as to the validity of the information provided on this bid documents.
- 4.11 Failure to provide total bid price on SB SBD.1 shall result in automatic disqualification.
- 4.12 An incomplete price list shall render the bid non-responsive.

A.1.2 TAX CLEARANCE CERTIFICATE REQUIREMENTS SBD 2

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.
2. Requirements are also applicable to foreign bidders / individuals who wish to submit bids.
3. 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.
4. 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.
5. In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.
6. 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.
7. 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.efiling.co.za

TERMS OF REFERENCE

1. Introduction

The Gauteng Department of Economic Development (DED) made a decision to establish a new entity and therefore Blue IQ Investment Holdings (Pty) Ltd and GEDA (Gauteng Economic Development Agency) were merged and a new entity established on 1 June 2012. The agency is known as the Gauteng Growth and Development Agency (GGDA). The GGDA is a Schedule 3 (c) public entity established in terms of the PFMA. The decision to merge arises from a desire for the Gauteng Province to be positioned to optimally respond to shifts in the strategic economic landscape of Gauteng over the last decade. A lean, efficient and appropriately focused implementation arm for Gauteng's economic development strategy is required to ensure maximized impact in the context of limited resources.

2. Objective

The objective of this tender is to invite and appoint a suitable independent Internal Audit Service provider firm that can provide and maintain a world-class **co-sourced** Internal Audit Service to the Gauteng Growth and Development Agency **"The agency/ GGDA group"**.

We believe that effective internal auditors serve the agency's corporate conscience and they champion operational efficiency, internal control, corporate governance and risk management. They would also be expected to educate and make recommendations to management and the Board and or other governance oversight bodies, to support the agency in meeting its goals and objectives.

The internal audit function, although co-sourced, must add value and be seen as a governance, assurance tool of excellence that enhances the system of internal controls at a reasonable cost, as well as ensuring compliance to the provisions of the Public Finance Management Act, 1 of 1999, as amended, the applicable Treasury Regulations, Risk Management Standards and Frameworks, the Standards as set by the Institute of Internal Auditors, and the Companies Act No 71 of 2008, as amended. This would also include application of the principles of the latest King Report on Corporate Governance.

3. Background

The GGDA is a Schedule 3C Public Entity governed by applicable legislative frameworks. The agency is accountable to the Gauteng Provincial Legislature through the MEC of Economic Development, Environment, Agriculture and Rural Development who is the Executive Authority.

The Gauteng Growth and Development Agency was established as a consequence of the study commissioned by the Gauteng Executive Committee (EXCO) into the functioning of Gauteng agencies, primarily those within the Gauteng Department of Economic Development (DED), during 2009. The findings of the review then informed a decision by the Exco in May 2010 that the DED commence a process of reconfiguring a number of the agency within its portfolio, in order to align them to the strategic delivery priorities of the province and to ensure that they are most appropriately structured to achieve the desired outcomes.

In this context, the reconfiguration of two historical DED agency, namely Blue IQ Investment Holdings and the Gauteng Economic Development Agency (GEDA) into the single Gauteng Growth and Development Agency (GGDA) has taken place through the **amendment of the Blue IQ Investment Holdings Act (No 5 of 2003)**, and the dissolution of GEDA. The agency is funded and owned by DED and is an implementing arm of the DED

The objects of the Company are to –

- enable economic development that is focused on creating sustainable jobs;
- drive growth in provincial growth domestic products and employment rates;
- strategically position the Province into a globally competitive city region;
- facilitate partnerships and create linkages across the Province in order to maximize service delivery outcomes; and
- support the development of the key sectors of the economy in line with established economic and industrial policies of the Province.

The functions of the Company are to:

- undertake or invest in the identified projects; and
- enable increased private sector investment

Copies of the latest Annual Report for the GGDA group is available on request. Additional information about the structure and functional activities of the agency can be obtained from the GGDA web-site.

4. Scope

The Board and Management of the GGDA require a pro-active Internal Audit function that is independent, understands the importance of corporate governance systems, risk management, performance auditing, audit of performance objectives, forensic auditing, makes use of leading internal audit methodologies and techniques and can function at an executive level;

The scope of the internal audit service shall consist of, but is not limited to the following requirements:

- i. Review and update of the Internal Audit and Audit and Risk Committee Charters
- ii. Develop an annual audit plan and three-year rolling audit plan based on the risk assessment results for approval by the Audit and Risk Committee. The plan should include costing of all activities therein at an average hourly tariff based on an assumption of 2,000 hrs per annum
- iii. Perform risk based audit assignments as per the standards and guidelines set out by the SA Institute of Internal Auditors
- iv. Carry out the annual audit plan as it pertains to the contract period.
- v. Reporting the results of audits to management and audit committee.
- vi. Evaluate the effectiveness of risk management and corporate governance systems against international standards and provide counsel and guidance at Audit and Risk committee/Board and executive management level.
- vii. Perform any ad hoc investigations including forensic audits as requested by management and the Audit and Risk Committee.
- viii. Report through the GGDA's head of internal audit the results of reviews and the progress against the plan at the management meetings and the Audit and Risk Committee where progress from internal audit is required.

- ix. Liaison with the Auditor General and ensuring alignment with the External audit function ensuring reliance can be placed where applicable
- x. Fulfil all requirements pertaining to internal audit as reflected in the PFMA and Treasury Regulations and any other regulatory authorities

5. Notes bidders

- Short-listed bidders will be invited to present and discuss details of their proposals.
- GGDA will not be liable to reimburse any costs incurred by the bidder during this tender process.
- GGDA is committed to maximise the value obtained from available internal audit resource. However, the agency does not bind itself to accepting the lowest priced tender.
- Bidders should identify the work they are currently carrying out or competing for which could cause a conflict of interest, and indicate how such a conflict would be avoided.
- Bidders are required to provide an internal audit methodology which will be assessed against the Practice Advisories Under International Professional Practice Framework (IPPF)
- The successful bidder will also be expected to assist with updating the GGDA`s current internal audit methodology in order to ensure uniformity in the operations of all internal audit assignments.
- The successful bidder should make available all documentation (including Internal Audit Programmes, working papers, templates, software, etc.) to GGDA.
- Where necessary, the successful bidder may also hold workshops and training seminars to transfer capacity and skills to GGDA staff over the period of the contract.
- In addition, the successful bidder should assist with sharing of best practices, such as checklists and templates with GGDA. Furthermore, the successful bidder should demonstrate strong capacity for thought leadership, and the ability to provide GGDA with publications, notifications and summaries, via the CAE's office, detailing the latest developments in at least but not limited the following areas;

Area	Target department
Internal Auditing	IA
Risk Management	IA and ERM
Accounting	Finance
SCM	Finance
Compliance and Corporate Governance	Legal and Company Secretariat / HR
Information Technology	IT
Project Management	EPMO

IA – Internal Audit

ERM – Enterprise Risk Management
SCM – Supply Chain Management
IT – Information Technology
EPMO – Enterprise Project Management Office

- GGDA expects to be invoiced monthly, on a retainer basis, provided the service level targets have been achieved during the period.
- The successful bidder shall enter into a performance agreement which will clearly identify performance targets mutually agreed upon.
- The bidder should confirm that they are able to meet performance targets normally associated with the profession and set out the processes that they have in place to ensure that they are achieved

6. Specification of skills required

GGDA requires that the service provider shall make use of dedicated internal audit resources (corporate governance review, risk management, performance auditing, audit of performance objectives, forensic auditing etc.), who have a sound understanding of internal audit methodologies and techniques with practical experience on similar assignments, as well as a strong knowledge and understanding of Government practices, as outlined in paragraph 9 below

It will be preferred that the person (Director / Partner) leading the Internal Audit project must have implemented an outsourced/co-sourced internal audit service from scratch or have been the head of an in-house internal audit function him/herself. The partner/director must perform the final quality review on all deliverables to ensure assignment objectives were met.

7. Appointment, commencement and duration

The service provider will be appointed for 3 (three) years, commencing from the effective date of appointment.

The bidder must be able to commence with the contract on 1 April 2017.

The contract may be terminated by GGDA during the contract period after 30 (thirty) days written notice, if the contractor is negligent or does not perform in accordance with the contractual stipulations and service level agreement to be entered into. This will be done at the sole discretion of the agency.

8. Information to be submitted

To facilitate the needs of the evaluation process, all proposals must reflect the following information. Failure to supply all or any part of the requested information will result in your proposal being excluded from the evaluation process;

- Details of previous experience of providing internal audit services to the public sector. GGDA is seeking a service provider that is fully familiar with the operating environment and regulatory issues faced by public entities.
- References from current and previous clients in the public sector. Please provide
 - the name of the client,
 - his/her position,
 - contact telephone numbers,
 - description of work performed, and
 - dates of engagement
- Details of the probable team that will be tasked with the assignment. Information should include;
 - Name of employee
 - Job title

- Short CV reflecting internal audit qualifications, other professional qualifications, current and previous work experience
- Quality is key to the agency. Bidders should set out arrangements within their organisations for ensuring quality exists throughout the internal audit process.
- A proposed project plan action (three year rolling plan) to achieve the objectives of the Internal Audit Function. Such plan should cover short and medium steps to manage the Internal Audit Function and demonstrate how it intends to show its value add.
- The plan should include costing of all activities therein at an average hourly tariff based on an assumption of 2,000 hrs per annum.
- An organogram or list of partners, managers, specialists and assistants together with CV's of the resources that will be available for the duration of the assignment. Any possible staff changes during the course of the audit must be done in consultation and with approval of the agency.
- **An hourly tariff of each level of resource, inclusive of VAT, but exclusive of disbursements for the services to be rendered**
- **Bidders must provide the average hourly tariff to be applied to the entire assignment, as this would be a determining factor with regard to the BBEE and price evaluations.**
- **Bidders must use tariffs not exceeding the published rates for Audits done on behalf of Auditor General (as amended from time to time)**

9. Evaluation Criteria

The evaluation criteria will be in line with the PPPFA

Evaluation will be based on a point system and two-stage evaluation process. The following is the weighting awarded for each element, and the threshold score where applicable.

STAGE 1 OF EVALUATION

Evaluation element	Weighting	Threshold score
Technical proposal (Functionality)	100	70 Points

STAGE 2 OF EVALUATION

Evaluation element	Weighting	Threshold score
B-BBEE proposal	10	N/A
Price proposal	90	N/A
Total	100	

EVALUATION CRITERIA

FUNCTIONALITY	Weight
Public Sector Experience	20
<ul style="list-style-type: none"> • NATIONAL GOVT, <p>1- 3 years' experience is 0 points</p>	5

FUNCTIONALITY	Weight
3-5 years' experience is 2 points > 5 years' experience is 5 points	
<ul style="list-style-type: none"> PROVINCIAL GOVT, 1- 3 years' experience is 0 points 3-5 years' experience is 2 points > 5 years' experience is 5 points	5
<ul style="list-style-type: none"> 3C PUBLIC ENTITIES 1- 3 years' experience is 0 points 3-5 years' experience is 2 points > 5 years' experience is 10 points	10
Contactable References, preferably letters of reference	15
< 1 to < 3 letters of reference, is 3 points > 3 and less than 5 letters references, is 10 points > 5 letters of reference, is 15 points	
Team Experience	20
<ul style="list-style-type: none"> Partner / Director < 6 years' experience, is 2 > 7 < 10 years' experience, is 3 > 10 years' experience, is 5 points	
<ul style="list-style-type: none"> Manager < 4 years' experience, is 2 > 5 < 7 years' experience, is 3 > 7 years' experience, is 5 points	
<ul style="list-style-type: none"> Supervisor < 3 years' experience, is 2 > 4 < 6 years' experience, is 3 > 6 years' experience, is 5 points	
<ul style="list-style-type: none"> Internal Auditors In the 3 rd year, 5 points In the 2 nd year, 3 points In the 1 st year, 2 points	
All the above is limited to 5 points maximum per category	
Qualifications of team	20
(All staff levels from Partner/ Director to field/junior staff; <ul style="list-style-type: none"> IAT/GIA or Completed articles – 1 point for each limited to 10 points CCSA/ CFSA/CGAP/ CRMA – 1.5 points for each limited to 15 points with CIA or CA – 2 points for each limited to 10 points CIA with CA /CISA/CFE etc. combination) 2.5 points for each limited to 15 points All the above is limited to 20 points maximum	
Thought Leadership capacity and skills transfer	10

FUNCTIONALITY	Weight
demonstrate strong capacity for thought leadership, and the ability to provide GGDA with publications, notifications and summaries in the following areas <ul style="list-style-type: none"> • Internal Auditing and Risk Management (2) • Accounting (2) • SCM (2) • Compliance and Corporate Governance (2) • Information Technology (2) <p>All the above is limited to 10 points maximum</p>	
Methodology	15
Methodology that demonstrates alignment with Practice Advisories Under International Professional Practice Framework (IPPF), read together with Standard of Professional Practice of Internal Auditing	

A minimum of 70 points has to be achieved before the price and B-BBEE status of the organisation is reviewed. Failure to meet these minimum requirements in each criterion will result in the prevention of advancement to the next phase.

B-BBEE Evaluation:

The preference point systems applicable to all bids for the 90/10 system for requirements with a Rand value above R1, 000 000.00 is determined with the following formula: $PT=90*(1-(pt-pm)/pm)$.

10 points are allocated to BEE. BEE rating certificates are applicable and scoring will be done as per B-BBEE Code of Good Practice guideline as indicated in the following table.

Bidders must submit valid and certified B-BBEE Certificates.

BEE Status Qualification

CONTRIBUTOR LEVEL	BEE RECOGNITION LEVEL
1	10
2	9
3	8
4	5
5	4
6	3
7	2
8	1
Non-Compliant	0

Price Evaluation:

A maximum of 90 Points are allocated for pricing. Quotation must include 14% VAT and all other related costs

10. Transfer of skills

The bidder should demonstrate how it intends to assist in building of the internal audit capacity and how it will transfer skills to GGDA`s internal team, with emphasis on the latest developments in the internal audit profession and other disciplines as per paragraph 5 above.

11. Fees and Payment

Fees will be based on resources utilised on a time and cost basis, using the tariffs not exceeding the published rates for Audits done on behalf of Auditor General (as amended from time to time)

Copies of timesheets must be attached to the invoice and will be payable after the relevant project report has been received in the office of GGDA`s Head of Internal Audit.

PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER:
BID NO.:
CLOSING TIME 11:00 ON

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

ITEM No	Quantity	Description	Bid Price (in RSA currency including VAT)

1. The accompanying information must be used for the formulation of proposals.
2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of VAT for the project.
R.....

3. PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)

4. PERSON AND POSITION	HOURLY RATE	DAILY RATE
-----	R-----	R-----
-----	R-----	R-----
-----	R-----	R-----
-----	R-----	R-----
-----	R-----	R-----

5. PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT

R-----	----- days
R-----	----- days
R-----	----- days
R-----	----- days
R-----	----- days

5.1 Travel expenses (specify, for example rate/km and total km, class of airtravel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT

5.2 Other expenses, for example accommodation (specify, eg. Three star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT

6. Period required for commencement with project after acceptance of bid.....

7. Estimated man-days for completion of project

8. Are the rates quoted firm for the full period of contract?

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

1. **SECOND PHASE: BEE**

1.1. **B-BBEE Evaluation:**

- Bidders must submit valid BBBEE Certificates & Statements which will be verified by the agencies.
- For purpose of comparison and in order to ensure a meaningful evaluation, Service providers are requested to furnish detailed information in substantiation of compliance to the evaluation criteria for BEE.
- Qualifying bids will be further evaluated in terms of the 90/10 if more than R1 000 000.00 preference point systems (10 allocated to BBBEE and 90 allocated to price).

BBBEE & Price will be evaluated according to the preference point system as outlined below B-BBEE	10 points for R1, 000, 000.00
BBBEE Status Level of Contributor	Number of Points
1	10
2	9
3	8
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

- 1.2. Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EMEs with B-BBEE Status Level Certificates.
- 1.3. Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- 1.4. 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.
- 1.5. 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.
- 1.6. 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.
- 1.7. 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.

- 1.8. 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.

PART B

DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state¹, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-

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

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

2.1 Full Name of bidder or his or her representative:

.....

2.2 Identity Number:

.....

2.3 Position occupied in the Company (director, trustee, shareholder²):

.....

2.4 Company Registration

Number:.....

2.5 Tax Reference Number:

.....

2.6 VAT Registration Number:

.....

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

¹“State” means –

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

- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.

”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 attached 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?

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?

YES / NO

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?

YES / NO

2.11.1 If so, furnish particulars:

.....

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

Full Name	Identity Number	Personal Reference Number	Tax Number	State Number	Employee / Persal Number

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 IN TERMS OF PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature Date

.....
Position Name of bidder

SBD5

B2: THE NATIONAL INDUSTRIAL PARTICIPATION PROGRAMME
(CHOOSE ONLY IF APPLICABLE)

This document must be signed and submitted together with your bid

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 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 _____
Date	_____	

PART C – PREFERENCE POINT SYSTEM

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

2

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 000 000.00 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R1 000 000.00 (all applicable taxes included).

1.2 The value of this bid is estimated to exceed R1 000 000.00 (all applicable taxes included) and therefore the 90/10 system shall be applicable.

1.3 Preference points for this bid shall be awarded for:

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

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

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

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

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

2. DEFINITIONS

- 2.1 “**all applicable taxes**” includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- 2.2 “**B-BBEE**” means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- 2.3 “**B-BBEE status level of contributor**” means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- 2.4 “**bid**” means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;
- 2.5 “**Broad-Based Black Economic Empowerment Act**” means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- 2.6 “**comparative price**” means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration;
- 2.7 “**consortium or joint venture**” means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;
- 2.8 “**contract**” means the agreement that results from the acceptance of a bid by an organ of state;
- 2.9 “**EME**” means any enterprise with an annual total revenue of R5 million or less .
- 2.10 “**Firm price**” means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 2.11 “**functionality**” means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a

service and the technical capacity and ability of a bidder;

- 2.12 “**non-firm prices**” means all prices other than “firm” prices;
- 2.13 “**person**” includes a juristic person;
- 2.14 “**rand value**” means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;
- 3 2.15 “**sub-contract**” means the primary contractor’s assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
- 2.16 “**total revenue**” bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette* on 9 February 2007;
- 2.17 “**trust**” means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- 2.18 “**trustee**” means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

3. ADJUDICATION USING A POINT SYSTEM

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

4. POINTS AWARDED FOR PRICE

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 Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EMEs with B-BBEE Status Level Certificates.

5.3 Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.

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

6. BID DECLARATION

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

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

7.1 B-BBEE Status Level of Contribution: =(maximum of 10 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 an Accounting Officer as contemplated in the CCA).

8 SUB-CONTRACTING

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

8.1.1 If yes, indicate:

(i) what percentage of the contract will be subcontracted?
%

(ii) the name of the sub-contractor?

(iii) the B-BBEE status level of the sub-contractor?

(iv) whether the sub-contractor is an EME? YES / NO (delete which is not applicable)

9 DECLARATION WITH REGARD TO COMPANY/FIRM

9.1 Name of company/firm

:

9.2 VAT registration number :.....

9.3 Company registration number :

9.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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

9.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

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

.....

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

- (i) The information furnished is true and correct;
- (ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form.

- (iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 7, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- (iv) If the B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
 - (a) disqualify the person from the bidding process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person’s conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the audi alteram partem (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution

WITNESSES:

1.

.....
 SIGNATURE(S) OF BIDDER(S)

2.

DATE:.....

ADDRESS:.....

.....

**PART D –
DECLARATION OF
BIDDER’S PAST
SCM PRACTICES**

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 as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the <i>audi alteram partem</i> rule was applied).	Yes <input type="checkbox"/>	No <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)? To access this Register enter the National Treasury’s website, www.treasury.gov.za , click on the icon “Register for Tender Defaulters” or submit your written request for a hard copy of the Register to facsimile number (012) 3265445.	Yes <input type="checkbox"/>	No <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 <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
4.4	Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		

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

SBD 9

D2: CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Institution)

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

I certify, on behalf of: _____ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for

criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

PART E

E1: UNDERTAKINGS BY BIDDER IN RESPECT OF THIS BID

1. Definitions:

- 1.1 “The Board” means the accounting authority of Gauteng Growth and Development Agency appointed by the MEC;
- 1.2 “Chief Executive Officer” [“CEO”] means the CEO of Gauteng Growth and Development Agency or her/his duly authorised representative as appointed by the Board in concurrence with the MEC;
- 1.3 “Contract” shall include any schedule, drawings, patterns, samples attached any agreement entered into and all other Schedule hereto;
- 1.4 “Contractor(s)” means Bidder whose bid has been accepted by Gauteng Growth and Development Agency;
- 1.5 “Cost of materials” means the cost of components, parts or materials which are intended for the production, manufacturing or assembling of the goods bid for and which are not produced, manufactured or assembled in the factory where the production, manufacture or assembly of such goods occurs, including freight, landing costs, port charges, import duties and other import costs of such components, parts or materials and all costs in connection with the handling and transport thereof prior to delivery at that factory;
- 1.6 “Final delivery certificate” means the document issued by Gauteng Growth and Development Agency confirming that all the known defects have been rectified and that the works, goods or services appear in good order and have been accepted;
- 1.7 “Letter of acceptance” means the written communication by Gauteng Growth and Development Agency to the Contractor recording the acceptance by Gauteng Growth and Development Agency of Contractor’s bid subject to the further terms and conditions to be itemized in the contract;
- 1.8 “Local contents” means the portion of the bid price of local goods not constituting the cost of materials imported into the Republic;
- 1.9 “Local goods” means goods wholly or partly produced or manufactured or assembled in the Republic
- 1.10 “GGDA” shall mean Gauteng Growth and Development Agency;
- 1.11 “Order(s)” means an official letter issued by GGDA calling for the supply of goods pursuant to a contract or bid;
- 1.12 “Signature date” and in relation to any contract, means the date of the letter of acceptance;
- 1.13 “Bid” means an offer to supply goods/services to GGDA at a price;
- 1.14 “Bidder” means any person or body corporate offering to supply goods to GGDA;
- 1.15 “Termination date” in relation to any Contractor means the date of the final delivery certificate;
- 1.16 “Value added” means that portion of the bid price not constituting the cost of materials;

1.17 "Warranties" means collectively any and all warranties listed and otherwise (if any) given by the Bidder in term of this agreement.

2. Interpretation

2.1 In his agreement clause headings are for convenience and shall not be used in its interpretation and, unless he context clearly indicate a contrary intention:-

2.2 An expression which denotes

- any gender includes the other gender;
- a natural person included an artificial or juristic person and vice versa;
- the singular includes the plural and vice versa;

2.3 Any reference to any statute, regulation or other legislation or official policy shall be a reference to that statute, regulation or other legislation or national policy as at the signature date, and as amended or re-enacted from time to time;

2.4 When any number of days is prescribed, such shall be reckoned inclusively of the first and inclusively of the last day, unless the last day falls on a day which is not a business day, in which case the last day shall be the next succeeding day which is a business day;

2.5 Where any term is defined within a particular clause, other than the interpretation clause, that term shall bear the meaning ascribed to it in that clause wherever it is used in this agreement.

3. I/we hereby bid:

3.1 to supply all or any of the supplies and/or to render all or any of the goods described in the attached documents to GGDA;

3.2 on the terms and conditions and in accordance with the specifications stipulated in the bid documents (and which shall be taken as part of incorporated into, this bid);

3.3 at the prices and on the terms regarding time for delivery and/or execution inserted therein.

4. I/we agree further that:

4.1 the offer herein shall remain binding upon me/us and open for acceptance by GGDA during the validity indicated and calculated from the closing time of the bid;

4.2 this bid and its acceptance shall be subject to the terms and additions contained in the Schedules hereto with which I am/we are fully acquainted;

5. notwithstanding anything to the contrary:

5.1 if/we withdraw my/our bid within the period for which I/we have agreed that the bid shall remain open for acceptance, or fail to fulfil the contract when called upon to do so, GGDA may, without prejudice to its other rights, agree to the withdrawal of my/our bid or cancel the contract that may have been entered into between me/us and GGDA.

- 5.2 in such event, I/we shall then pay to GGDA any additional expense incurred by GGDA for having either to accept any less favourable bid or,. If fresh bids have to be invited, the additional expenditure incurred by the invitation of fresh bids and by the subsequent acceptance of any less favourable bid;
- 5.3 GGDA shall also have the right in these circumstances, to recover such additional expenditure by set-off against monies which may be due or become due to me/us under this or any other bid or contract or against any guarantee or deposit that may have furnished by me/us or on my/our behalf for the due fulfillment of this or any other bid or contract;
6. Pending the ascertainment of the amount of such additional expenditure GGDA may retain such monies, guarantee or deposit as security for any loss GGDA may sustain, as determined hereunder, by reason of my/our default;
 - 6.1 any legal proceedings arising from this bid may in all respects be launched or instituted against me/us and I/we hereby undertake to satisfy fully any sentence or judgement which may be obtained against me/us as a result of such legal proceedings and I/we undertake to pay GGDA legal costs on an attorney and own client basis;
 - 6.2 if my/our bid is accepted that acceptance may be communicated to me/us by letter or facsimile ad that proof of delivery of such acceptance to SA Post Office Ltd shall be treated as delivery to me/us;
 - 6.3 the law of the Republic of South Africa shall govern the contract created by the acceptance of this bid;
7. I/we have satisfied myself/ourselves as to the correctness and validity of this bid, that the price(s) and rate(s) quoted cover all the work/item(s) specified in the bid documents and that the price(s) and rate(s) over all my/our obligations under a resulting contract and that I/we accept that any mistakes regarding price(s) and calculations shall be at my/our risk;
8. I/we accept full responsibility for the proper execution and fulfillment of all obligation and conditions defaulting on me/us under this agreement as the principal(s) liable for the due fulfillment of this contract.
9. Notwithstanding full responsibility for the proper execution and fulfillment of all obligations and conditions defaulting on me/us under this agreement as the principal(s) liable for the due fulfillment of this contract.
10. Notwithstanding the amount of cause of action involved I hereby consent to the jurisdiction of the Magistrate Court for the district of Johannesburg in respect of any action whatever arising from this contract.
11. I/we declare that I/we participation/no participation in the submission of any other offer for the supplies/services described in the attached documents. If your answer here is

Bidder's Information

Name of firm (company)

Postal Address

Physical Address

Contact Person

Telephone

Fax Number

Types of business

Principal business

Activities

12. The bidder hereby offer to render all or any of the services described in the attached documents to GGDA on the terms and conditions and in accordance with the specifications stipulated in these tender documents (and which shall be taken as part of, and incorporated into, this proposal at the prices inserted therein).
13. Bids submitted by companies must be signed by a person or persons duly authorised thereto by a resolution of a Board of Directors, a copy of which Resolution, duly certified be submitted with the bid.
14. The bidder hereby agrees that the offer herein shall remain binding upon him/her and receptive for acceptance by GGDA during the validity period indicated and calculated form the closing hour and date of the tender; this proposal and its acceptance shall be subject to the terms and conditions contained in this tender document.
15. The bidder furthermore confirm that he/she has satisfied himself/herself as to the correctness an validity of his/her tender response that the price(s) and rate(s) quoted cover all the work/item(s) specified in the tender response documents and that the price(s) and rate(s) cover all his/her obligations under a resulting contract and that he/she accept that any mistakes regarding price(s) and calculations will be at his/her risk.
16. The bidder hereby accepts full responsibility for the proper execution and fulfillment of all obligations and conditions devolving on him/her under this agreement as the principal(s) liable for the due fulfilment of this contract.

E2: 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 suppliers be familiar with regard to the rights and obligations of all parties involved in doing business with GGDA.

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 and contract documents.

(iii) Special Condition of Contract pertaining to contracts of this nature will be negotiated with the successful bidder.

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GENERAL CONDITIONS OF CONTRACT

1. Definitions

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 client and the service provider, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference herein.
- 1.3 “Contract price” means the price payable to the service provider 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 anything 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 “Day” means calendar day.
- 1.7 “Delivery” means delivery in compliance of the conditions of the contract or order.
- 1.8 “Force majeure” means an event beyond the control of the service provider and not involving the service provider’s fault or negligence and not foreseeable.

Such events may include, but is not restricted to, acts of the client in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.9 “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.
- 1.10 “GCC” means the General Conditions of Contract.
- 1.11 “Goods” means all of the equipment, machinery, service and/or other materials that the service provider is required to supply to the client under the contract.

- 1.12 “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 service provider 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.
- 1.13 “Local content” means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.14 “Order” means an official written order issued for the rendering of a service.
- 1.15 “Project site,” where applicable, means the place indicated in bidding documents.
- 1.16 “The client” means the organization purchasing the service.
- 1.17 “Republic” means the Republic of South Africa.
- 1.18 “SCC” means the Special Conditions of Contract.
- 1.19 “Services” means those functional services ancillary to the rendering of the service, 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 service provider covered under the contract.
- 1.20 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.

2. Application

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

- 3.1 Unless otherwise indicated in the bidding documents, the client shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

4.1 The service rendered shall conform to the standards mentioned in the bidding documents and specifications.

5. Use of contract documents and information; inspection

5.1 The service provider shall not, without the client's prior written consent, contract disclose the contract, or any provision thereof, or any specification, documents plan, drawing, pattern, sample, or information furnished by or on and behalf of the client in connection therewith, to any person other information; than a person employed by the service provider in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

5.2 The service provider shall not, without the client's prior written consent, make use of any document or information mentioned in GCC clause except for purposes of performing the contract.

5.3 Any document, other than the contract itself mentioned in GCC Clause shall remain the property of the client and shall be returned (all copies) to the client on completion of the service provider's performance under the contract if so required by the client.

5.4 The service provider shall permit the client to inspect the service provider's records relating to the performance of the service provider and to have them audited by auditors appointed by the client, if so required by the client.

6. Patent rights

6.1 The service provider shall indemnify the client against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the service or any part thereof by the client.

7. Performance Security

7.1 Within thirty (30) days of receipt of the notification of contract award, security the successful bidder shall furnish to the client the performance security of the amount specified in SCC.

7.2 The proceeds of the performance security shall be payable to the client as compensation for any loss resulting from the service provider'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 client 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 client's country or abroad, acceptable to the client, in the form provided in the bidding documents or another form acceptable to the client; or

(b) a cashier's or certified cheque

7.4 The performance security will be discharged by the client and returned to the service provider not later than thirty (30) days following the date of completion of the service provider's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Delivery and Documents

- 8.1 Rendering of service shall be made by the service provider in accordance with the document and terms as specified in the contract. The details of shipping and/or other documents to be furnished by the service provider are specified in SCC.
- 8.2 Documents to be submitted by the service provider are specified in SCC.

9. Insurance

- 9.1 The service rendered 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.

10. Transportation

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

11. Incidental Service

- 11.1 The service provider 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 rendered service;
 - (b) furnishing of tools required for assembly and/or maintenance of the rendered service;
 - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the rendered service;
 - (d) performance or supervision or maintenance and/or repair of the rendered service, for a period of time agreed by the parties, provided that this service shall not relieve the service provider of any warranty obligations under this contract; and
 - (e) training of the client's personnel, at the service provider's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the rendered service.
- 11.2 Prices charged by the service provider for incidental services, if not included in the contract price for the service, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the service provider for similar services.

12. Warranty

- 12.1 The service provider warrants that the service rendered 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 service provider further warrants that all service rendered under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the client's specifications) or from any act or omission of

the service provider, that may develop under normal use of the rendered service in the conditions prevailing in the country of final destination.

- 12.2 This warranty shall remain valid for twelve (12) months after the service, 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.
- 12.3 The client shall promptly notify the service provider in writing of any claims arising under this warranty.
- 12.4 If the service provider, having been notified, fails to remedy the defect(s) within the period specified in SCC, the client may proceed to take such remedial action as may be necessary, at the service provider's risk and expense and without prejudice to any other rights which the client may have against the service provider under the contract.

13. Payment

- 13.1 The method and conditions of payment to be made to the service provider under this contract shall be specified in SCC.
- 13.2 The service provider shall furnish the client with an invoice accompanied by a copy of the delivery note and upon fulfilment of other obligations stipulated in the contract.
- 13.3 Payments shall be made promptly by the client, but in no case later than thirty (30) days after submission of an invoice or claim by the service provider.
- 13.4 Payment will be made in South African Rand unless otherwise stipulated in SCC.

14. Prices

- 14.1 Prices charged by the service provider for services performed under the contract shall not vary from the prices quoted by the service provider in his bid, with the exception of any price adjustments authorized in SCC or in the client's request for bid validity extension, as the case may be.

15. Contract amendments

- 15.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.

16. Assignment

- 16.1 The service provider shall not assign, in whole or in part, its obligations to perform under the contract, except with the client's prior written consent.

17. Subcontracts

- 17.1 The service provider shall notify the client 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 service provider from any liability or obligation under the contract.

18. Delays in the service provider's performance

- 18.1 Performance of services shall be made by the service provider in accordance with the time schedule prescribed by the client in the contract.
- 18.2 If at any time during performance of the contract, the service provider or its subcontractor(s) should encounter conditions impeding timely performance of services, the service provider shall promptly notify the client in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the service provider's notice, the client shall evaluate the situation and may at his discretion extend the service provider'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.
- 18.3 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.
- 18.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the service provider's point of supply is not situated at or near the place where the supplies are required, or the service provider's services are not readily available.
- 18.5 Except as provided under GCC Clause 25, a delay by the service provider in the performance of its delivery obligations shall render the service provider 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.
- 18.6 Upon any delay beyond the delivery period in the case of a supplies contract, the client shall, without cancelling the contract, be entitled to purchase service of a similar quality and up to the same quantity in substitution of the service not rendered in conformity with the contract and to return any service rendered later at the service provider's expense and risk, or to cancel the contract and buy such service as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the service provider.

19. Penalties

- 19.1 Subject to GCC Clause 25, if the service provider fail to perform services within the period(s) specified in the contract, the client 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 unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The client may also consider termination of the contract pursuant to GCC Clause 23.

20. Termination for default

- 20.1 The client, without prejudice to any other remedy for breach of for default contract, by written notice of default sent to the service provider, may terminate this contract in whole or in part:
- (a) if the service provider fails to deliver service within the period(s) specified in the contract, or within any extension thereof granted by the client pursuant to GCC Clause 21.2;
 - (b) if the service provider fails to perform any other obligation(s) under the contract;
- or

- (c) if the service provider, in the judgment of the client, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.
- 20.2 In the event the client terminates the contract in whole or in part, the client may procure, upon such terms and in such manner as it deems appropriate, services similar to those undelivered, and the service provider shall be liable to the client for any excess costs for such similar services. However, the service provider shall continue performance of the contract to the extent not terminated.
- 20.3 Where the client terminates the contract in whole or in part, the client may decide to impose a restriction penalty on the service provider by prohibiting the service provider from doing business with the public sector for a period not exceeding 10 years.
- 20.4 If a the client intends imposing a restriction on a the service provider or any person associated with the service provider, the service provider will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the service provider fail to respond within the stipulated fourteen (14) days the client may regard the intended penalty as not objected against and may impose it on the service provider.
- 20.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.
- 20.6 If a restriction is imposed, the client must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
- (i) the name and address of the service provider and / or person restricted by the client;
 - (ii) the date of commencement of the restriction; and
 - (iii) the period of restriction; and
 - (iv) the reasons for the restriction.
- These details will be loaded in the National Treasury's central database of the service providers or persons prohibited from doing business with the public sector.
- 20.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

21. Force Majeure

- 21.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the Majeure the service provider 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.

21.2 If a force majeure situation arises, the service provider shall promptly notify the client in writing of such condition and the cause thereof. Unless otherwise directed by the client in writing, the service provider 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.

22. Termination for insolvency

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

23. Settlement of Disputes

23.1 If any dispute or difference of any kind whatsoever arises between the client and the service provider 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.

23.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the client or the service provider 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.

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

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

23.5 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 client shall pay the service provider any monies due the service provider.

24. Limitation of liability

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

(a) the service provider shall not be liable to the client, 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 service provider to pay penalties and/or damages to the client; and

(b) the aggregate liability of the service provider to the client, 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

25. Governing language

25.1 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

26. Applicable law

26.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC

27. Notices

27.1 Every written acceptance of a bid shall be posted to the service provider 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 services of such notice

27.2 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.

28. Taxes and duties

28.1 A foreign the service provider shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the client's country.

28.2 A local the service provider shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted service to the client.

28.3 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.

29. National Industrial Participation (NIP) Programme

29.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.

NAME OF YOUR COMPANY (IN BLOCK LETTERS)

SIGNATURE(S) OF THE BIDDER OR ASSIGNEE(S)

DATE

NAME OF PERSON SIGNING (IN BLOCK LETTERS)

CAPACITY

ARE YOU DULY AUTHORISED TO SIGN THIS BID?

**COMPANY
NUMBER**

REGISTRATION

VAT

REGISTRATION

NUMBER

POSTAL ADDRESS (IN BLOCK LETTERS)

PHYSICAL ADDRESS (IN BLCOK LETTERS)

CONTACT PERSON

TELEPHONE NUMBER _____ **FAX NUMBER** _____

CELLPHONE NUMBER

E-MAIL

TYPES OF BUSINESS

PRINCIPAL BUSINESS ACTIVITIES