



**GUATENG GROWTH AND DEVELOPMENT AGENCY**

**INVITATION TO BID (OPEN TENDER)**

**DATE OF ISSUE: 09 DECEMBER 2016**

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

**BID NUMBER: GGDA/26/2016-17/MKT**

**CLOSING DATE: 13 JANUARY 2017**

**CLOSING TIME: 11:00**

**BID VALIDITY PERIOD: 90 DAYS**

**BRIEFING SESSION: 14 DECEMBER 2016 @11H00**

**VENUE: 124 MAIN STREET, JHB, ROOM TF11, 10<sup>TH</sup> FLOOR**

**DESCRIPTION: APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE MEDIA  
MONITORING SERVICES FOR GGDA GROUP**

**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:**

**15<sup>TH</sup> FLOOR  
124 MAIN STREET  
JOHANNESBURG**

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## CONDITIONS FOR COMPLETING BID DOCUMENTS

| Document   | Comments   | Submitted?<br>(Yes / No) |
|--|--|--------------------------|
| <b>SBD 1</b> (Invitation to bid)   | Make sure it is signed   |                          |
| <b>SBD 2</b> (Tax Clearance Certificate)   | Certificate must be original and valid   |                          |
| <b>SBD 3.3</b> (Pricing schedule)  | Filled or refer to an Annexure or addendum where price is mentioned  |                          |
| <b>SBD 4</b> (Declaration of interest)   | Make sure it is signed   |                          |
| <b>SBD 6.1 and 6.3</b> (Preference Points in terms of PPPFA of 2001)   | Make sure it is completed and points claimed are allocated as per BBBEE certificate  |                          |
| <b>SBD 8</b> (Declaration of Bidder's past supply chain management practices)  | Make sure it is signed   |                          |
| <b>SBD 9</b> (Certificate of Independent Bid Determination)  | Make sure it is signed   |                          |
| Certified copies of Original of Company Registration Documentation<br><br>NB: Certification stamp must be original and no more than 3 months old as at date of closing of tender | 1. certificate of registration,<br>2. change of name certificate (if applicable)<br>3. register of directors, and most current registered business address<br>(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/26/2016-17/MKT** CLOSING DATE: **13/01/2017** TIME: **11:00**

**DESCRIPTION: APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE MEDIA MONITORING SERVICES FOR GGDA GROUP**

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

**Gauteng Growth & Development Agency  
15<sup>TH</sup> 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](mailto: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/26/2016-17/MKT**. The sealed envelope must be placed in the tender box at 124 Main Street, Johannesburg by no later than **11h00 on 13 JANUARY 2017**.
- 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.

**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](http://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](http://www.efiling.co.za)

# TERMS OF REFERENCE

## 1. Introduction

GGDA aims to be the implementation arm of the Gauteng Department of Economic Development and assist the department to lead, facilitate and manage sustainable job creation and inclusive economic growth and development in the Gauteng City Region

## 2. Background

Further to GGDA's Group Marketing & Communications strategy, the Marketing & Communications Division tracks all media reports for the GGDA Group to obtain a status quo on how the Group is being reported on in the media. This allows us to incorporate proactive measures in all communication strategies to ensure greater positive and balanced reporting of GGDA's Group business, projects and interventions. It further allows us to immediately act on and mitigate any negative reports on the Group. Media tracking therefore currently forms part of GGDA's mechanisms to track and manage media perceptions of the Agency.

A public company's reputation is largely driven by the manner in which its work is reported on by the media. Through tracking media sentiment, one can obtain a broad status quo of the Agency's positioning in this regard and discuss corrective strategies and future brand positioning. Such reports equally assist in identifying trends in media reporting, narrowing down certain issues of specific publications and journalists' views that could be enhanced or mitigated through better engagement. With the increased emphasis on return on investment for corporate communications, an effective media monitoring service is essential as both a media intelligence service and to demonstrate the success of the organization's public relations and social media programs.

The CEO's office requested the unit to utilise the available media monitoring services from the Office of the Premier (OOP) and our principal body, the Gauteng Department of Economic Development (DED). However, the unit was met with great challenges in terms of the keywords included. The structure format of OOP and DED noted GGDA and the subsidiaries as one entity with only one key word tracked as GGDA.

This translates to one consolidated report and raises the issue of being unable to properly track each subsidiary's media profile. The department has historically reported on each respective subsidiary company separately. This affects the manner in which the quarterly reports are compiled as there is no thorough breakdown of the exactly how much clips each subsidiary company had over the reported quarter.

The unit therefore, wishes to procure media tracking/monitoring services for the entire GGDA Group starting as soon as possible for a twenty four (24) month period. The objective for these services is to consistently track media reports about the GGDA group in order to effectively manage the company's reputation. The Media monitoring company will track all editorial content of news sources including but not limited to newspapers, magazines, trade journals, TV, radio stations, social media platforms i.e. Facebook, Twitter etc and the Internet.



Media monitoring is the process of reading, watching or listening to the editorial content of media sources, and then, identifying, saving and analysing content that contains specific keywords or topics. The objective for this purpose is to:

- Consistently track media reports about the company in order to effectively manage the company's reputation.
- Allows for accurate tracking of project's growth, broadcast tracking and allows the company to monitor industry information, such as top news stories and interviews mentioning the organisation and or group of companies, its brands and executives in news media, and
- Better understand what the public think about the organization, its brands, and its customer service.

The required services are pertinent but not limited to:

- Specific issues relevant to the organization,
- Minimising repetition of activities in government,
- Manage corporate or brand reputation,
- Gather industry intelligence, and
- Better understand the strengths and weaknesses of corporate communications.

## **2.1 Objectives**

A Media monitoring, Social Media or buzz monitoring company is expected to cover all keywords containing GGDA and or its group of companies through:

- Editorial content of news sources including newspapers, magazines, trade journals, TV, radio stations and the Internet.

### **Media Monitoring Profile & Search Terms**

The media monitoring company will be expected to search profile, terms or keyword(s) or keyword phrases. The search profile contains the service terms: the media to be monitored, the type of articles and/or mentions to be delivered, the time period of the monitoring, and the method of article delivery.

The search terms are those key words or phrases that must appear in the article such as the name of the organization or its affiliates or brands. The clips are expected to be delivered either physically by mail or as a digital file, usually via e-mail. They can also be delivered by Rich Site Summary (RSS) feed or via File Transfer Protocol (FTP) feed. RSS is a format for delivering regularly changing web content and FTP is used to download or upload files to the Internet.

With the increased emphasis on return on investment for corporate communications, an effective media monitoring service is essential as both a media intelligence service and to demonstrate the success of the organization's public relations and social media programs.

### **3. Scope of Work (What to Monitor)**

#### **3.1 Online News Monitoring and print media**

Traditional media (daily newspapers, community newspapers, social magazines, publications, news syndication services) and clipping every print publication and capture clips from thousands of online news sources that don't exist in print.

Track "Africa" Online space for any mentions of the GGDA.

Client must have access to the clippings in the portal in no more than 9 hours post coverage.

#### **3.2 Broadcast Media (Television, Radio News and Talk)**

Monitoring and tracking of all broadcast key words to be provided by client. Provide clip footage / sound byte etc. to be loaded on the portal within no more than 9 hours after coverage.

#### **3.3 Social Media (Facebook, Twitter, Instagram and periscope)**

Client requires profiling of audience demographics, engagement and mentions (tracking of search words/phrases provided by client).

### **4. Company expectations of a Media Monitoring service provider**

#### **4.1 Reporting**

Service provider must provide an artificial intelligence system/platform that will enable viewing of monitoring clips.

- 4.1.1 The portal must show; Summary, Media house, Dates, Sentiments of whether clips are positive, neutral, balanced or negative. There must be an option to of graphical requests.
- 4.1.2 On a monthly basis client requires reports which consolidate the reported month's media activities.
- 4.1.3 On the portal we should be able to draw our own reports which show graphs, charts, AVE spend etc as and when we see require.
- 4.1.4 Access granted to five personnel selected by client and basic training in navigating the portal is needed.

**Available reports:** Daily email briefs, monthly and quarterly media analysis and journalist covering the story.

Client requests benchmarking analysis in order to track what is happening on the competitor's side in terms of media profile and projects undertaken.

### **5. Group of companies and/ or activities to be monitored**

- 5.1 **Automatic Industry Development Centre (AIDC)** – An organisation providing access to services in the areas of, design, engineering, testing and supplier development. Automotive Supplier Park, AIDC Rosslyn.
- 5.2 **Gauteng Industrial Development Zone (GIDZ)** – Special Economic Zones (SEZ), jewellery manufacturing precinct (JMP), mineral beneficiation.
- 5.3 **Constitution Hill (ConHill)** – Relating to Constitution Hill, square and flame of democracy.
- 5.4 **Gauteng Growth and Development Agency (GGDA)** – Merged Gauteng Economic Development Agency (GEDA) and Blue IQ, Gauteng Investment Centre (GIC) Trade and Investment, Foreign Direct Investment (FDI)
- 5.5 **The Innovation Hub (TIH)** – key words: Innovation Hub Science Park, Technology Park, Business Incubator, Hub Incubator, CoachLab, Innovation, and Green Economy.
- 5.6 **Subsidiary CEO's** Mr McLean Sibanda, Dr David Masondo, Ms Dawn Robinson, Ms Seipati Mangadi and Mr Saki Zamxaka.
- 5.7 **Competitor analysis/ tracking:** TIKZN, WESGRO, Kenya Investment Authority.

## 6 Duration of the contract

This contract is expected to run for twenty Four (24) calendar months with no expectations for possible renewal.

## 7 EVALUATION CRITERIA

### FIRST PHASE: FUNCTIONALITY REVIEW

|   | Weighting   | Minimum Requirement |
|---|-------------|---------------------|
| <p><b>Scope of Work (What to Monitor)</b></p> <p>Tracking of: Online News Monitoring as well as Africa Online; Broadcast Media (Television, Radio News and Talk) as well as print media with access to the clippings in the portal in no more than 9 hours post coverage. <b>(10)</b></p> <ul style="list-style-type: none"> <li>- All (3) elements provided = 10 Points</li> <li>- 2 elements = 7 points</li> <li>- 1 element = 4</li> </ul> | <b>(50)</b> | <b>40</b>           |
| <p><b>Social Media (Facebook, Twitter, Instagram and periscope) (10)</b></p> <ul style="list-style-type: none"> <li>- All (4) elements = 10 Points</li> <li>- 3 elements = 7 Points</li> <li>- 2 elements = 4 Points</li> </ul>   |             |                     |

|   |             |           |
|---|-------------|-----------|
| <ul style="list-style-type: none"> <li>- 1 element = 1 Point</li> </ul>   |             |           |
| <p><b>Methodology and Demonstration (15)</b></p> <ul style="list-style-type: none"> <li>- Ability to showcase how the supplier will provide all required media clippings on the required medium and time frame.</li> <li>- Provide an online platform with the following functional tool options pdf, web, text, email, file and delete.</li> </ul> <p><b>Competitor analysis (15)</b></p> <ul style="list-style-type: none"> <li>- Must be able to demonstrate how they will monitor the media outlook of similar agencies and provide a comprehensive benchmarking report with recommendations on how to improve our brand equity (TIKZN, WESGRO, and Kenya Investment Authority).</li> </ul>   |             |           |
| <p><b>Functionality and Reporting requirements</b></p> <p><u>Type of media monitoring solutions to be used</u></p> <ul style="list-style-type: none"> <li>• <b>The portal</b> must have Summary, Media house, Dates, Sentiments of whether clips are positive, neutral, balanced or negative and downloadable graphs. <b>(5)</b></li> <li>• All (5) elements = 5 Points</li> <li>• 4 elements = 3 Points</li> <li>• 3 elements = 2 Points</li> <li>• 2 elements = 1 Points</li> <li>• 1 element = 0 Point</li> <li>• <b>Daily e-mail, monthly &amp; quarterly reports</b> on: Online (Including social media), broadcast and print media news monitoring <b>(10)</b></li> <li>• All (3) elements = 10 Points</li> <li>• 2 elements = 7 Points</li> <li>• 1 elements = 4 Points</li> </ul> | <b>(20)</b> | <b>15</b> |

|   |             |           |
|---|-------------|-----------|
| <ul style="list-style-type: none"> <li>• <b>Access to portal granted</b> to five personnel selected by GGDA and basic training in navigating the portal is needed and also <b>Provide training</b> for all five nominated users on the portal <b>(5)</b></li> </ul>   |             |           |
| <p><b>Media monitoring Experience in years (Company) (9 Points)</b></p> <p>0-4years = <b>3 points</b><br/> 5-7 years = <b>6 points</b><br/> 8-&gt;years = <b>9 points</b></p> <p><b>Media monitoring Experience in years (Account Manager)(6 Points)</b></p> <p>2-1years = <b>2 points</b><br/> 4-3 years = <b>4 points</b><br/> 5 and above years = <b>6 points</b></p> <p>Provide key raw competencies of the individual or Curriculum Vitae</p> <p>Must at least have five years' worth of experience in the media monitoring space.</p> | <b>(15)</b> | <b>10</b> |
| <p><b>References;</b></p> <p>2-1 references = <b>5 Points</b><br/> 4-3 references = <b>10 Points</b><br/> 5 and above = <b>15 Points</b></p>  | <b>(15)</b> | <b>10</b> |
| <b>Total Score</b>  | <b>100</b>  | <b>75</b> |

A minimum score of **75** has to be achieved before the price and BBBEE status of the organization is reviewed. Failure to meet these minimum requirements will result in the prevention of advancement to the next phase.

**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 BBEE 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 BBEE and 90 allocated to price).

| <b>BBEE &amp; Price will be evaluated according to the preference point system as outlined below B-BBEE</b> | <b>10 points for R1, 000, 000.00</b> |
|---|--------------------------------------|
| <b>BBEE Status Level of Contributor</b>   | <b>Number of Points</b>              |
| 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 state<sup>1</sup>, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes 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, shareholder<sup>2</sup>): .....

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.

<sup>1</sup>“State” means –

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

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

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

2.7.1 If so, furnish the following particulars:

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

Any other particulars:  
.....  
.....  
.....

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

2.7.2.1 If yes, did you 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?

**YES / NO**

2.9.1 If so, furnish particulars.  
.....  
.....  
.....

2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid? **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 Tax Reference Number | State Number / Employee Peral 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

**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.

|                             |                           |                   |
|-----------------------------|---------------------------|-------------------|
| <b>Bid Number</b> _____     | <b>Closing Date</b> _____ |                   |
| <b>Name of Bidder</b> _____ |                           |                   |
| <b>Postal</b> _____         | <b>Address</b> _____      |                   |
| _____                       |                           |                   |
| <b>Signature</b> _____      | <b>Name</b> _____         | <b>Date</b> _____ |

# **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:

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

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:

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

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>B-BBEE Status Level of Contributor</b> | <b>Number of points (90/10 system)</b> | <b>Number of points (80/20 system)</b> |
|---|--|--|
| 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. ....

2. ....

|                                    |
|------------------------------------|
| .....<br>SIGNATURE(S) OF BIDDER(S) |
|------------------------------------|

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?<br>(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<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.1.1 | If so, furnish particulars:  |                                 |                                |
| 4.2   | Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?<br>To access this Register enter the National Treasury’s website, <a href="http://www.treasury.gov.za">www.treasury.gov.za</a> , 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<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.2.1 | If so, furnish particulars:  |                                 |                                |
| 4.3   | Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?   | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.3.1 | If so, furnish particulars:  |                                 |                                |
| 4.4   | Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?  | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.4.1 | If so, furnish particulars:  |                                 |                                |

**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



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

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

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

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder

# 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 from 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 and 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 fulfillment 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.

### **TABLE OF CLAUSES**

1. Definitions
2. Application
3. General
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6. Patent rights
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8. Delivery and documents
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29. National Industrial Participation Programme (NIPP)

## 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](http://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 fulfillment 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 REGISTRATION NUMBER** \_\_\_\_\_

**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** \_\_\_\_\_