

BID ADVERTISEMENT FORM

Bid description	To acquire Service Provider for the installation and maintenance of a voice over IP (PABX), and Network in the premises to the Department Community Safety & Transport Management (Tirelo Building and Safety House) for a period of five (5) years										
Bid number	CS&TM 01/21/22										
Name of institution	Community Safety & Transport Management										
The place where goods, works or services are required	The North West Provincial Department of Community Safety - Safety_House, 31-34 Molopo Road, Mahikeng North West Province										
Closing date and time	Date	2	2	0	4	2	0	2	1	Time	11H00
Contact details	Postal address	N/A									
	Physical address	Safety House 31-34 Molopo Road. Mahikeng (Main Entrance) Security Check Point.									
	Tel	018 200 8084 /018 200 8416/018 200 8357									
	Fax	N/A									
	email	lmojaki@nwpg.gov.za LLMotlhamme@nwpg.gov.za smaduma@nwpg.gov.za									
	Contact person	Mr S. Maduma – 018 200 8057 – for Specification Mr L. Mojaki – 018 200 8084 Ms L. Motlhamme 018 200 8416 - for bid documents only									
Where bids can be collected	Department Community Safety & Transport Management at Tirelo building, Ground Floor, Office number 035 Albert Luthuli A non-refundable deposit of R200.00 is payable in cash for each for each document, however, bidders are advised to download the document from e-portal system on www.etender.gov.za										
Where bids should be delivered	The North West Provincial Department of Community Safety - Safety_House,31-34 Molopo Road, Mahikeng (Main Entrance) Security Check Point.										
Category (refer to annexure A)	General										
Sector	Government										
Region	NORTH WEST PROVINCE										
<i>Compulsory Briefing Session</i>	No briefing session										



SUPPLY CHAIN MANAGEMENT

Eng: IM Marumo
Tirelo Building, Albert Luthuli Drive,
Mafikeng, 2745
P/Bag X 19 Mmabatho 2735
Tel: +27 (181) 200 8363

Ref : CS&TM 01/21/22
Date : 07/04/2021

INVITATION TO BID

TO ACQUIRE SERVICES FOR THE INSTALLATION AND MAINTENANCE OF A VOICE OVER IP PABX AND NETWORKIN THE PREMISES BELONGING TO THE DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT IN MAHIKENG AREA (TIRELO BUILDING AND SAFETY HOUSE) OF THE NORTH WEST PROVINCE, FOR A PERIOD OF FIVE (5) YEARS

DATE ISSUED: ---07/04/2021

CLOSING DATE: ----- AT 11H00 ON 22/04/2021

TENDER BOX

**DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT
SAFETY HOUSE BUILDING
UNIVERSITY DRIVE
MAHIKENG**

Name of bidder		Bidder VAT registered?
		Yes: <input type="checkbox"/>
Total bid price including VAT: (brought forward from SBD 3.2)		No: <input type="checkbox"/>

To acquire services for the installation and maintenance of a voice over IPPABX and Network in the premises belonging to the Department of Community Safety and Transport Management in Mahikeng area (Tirelo building and Safety house) of the North West province, for a period of five (5) years

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1. INTRODUCTION

This tender is meant to appoint the service provider to install and maintain a fully fledged Voice-over IP (PABX) and Business Solution of Telephone Management System with telephones for Department of Community Safety and Transport Management 'sTirelo and Safety House buildings.

2. BRIEFING SESSION

There will be no compulsory briefing session due to COVID 19 regulations. Any questions related to briefing shall be directed to Mr Siphon Maduma's email smaduma@nwpg.gov.za. The email will be registered and form part of the briefing session or understanding of the contents of the tender document. The purpose will be to explain the requirements of the bid and completion of bid forms.

3. DURATION OF THE CONTRACT

The successful bidder will be appointed for a period of five (05) years

4. TIMELINE OF THE BID PROCESS

The validity period is 90 days after closing of the bid. The project timeframes of this bid are set out below:

Activity	Date due
Advertisement of the bid in the: - Government Tender Bulletin; and - National Treasury Tender Portal	09/04/2021
Distribution of bid documents on the departmental website	07/04/2021
Compulsory briefing session	Not applicable
Bid closing date	22/04/2021
Notice to bidder(s)	*

*Dates subject to change.

All times in this bid is South African Standard Time. Any time or date in this bid is subject to change at the Department's sole discretion. The establishment of a time or date in this bid does not create an obligation on the part of the department to take any action, or create any right in any

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way for any bidder to demand that any action be taken on the date established. The bidders accepts that, if the Department extends the deadline (the closing date) for bid submissions for any reason, the requirements of this bid otherwise apply equally to the extended deadline.

5. CENTRAL SUPPLIER DATABASE [CSD]

- 5.1 Bidders must be registered as a service provider on the Central Supplier Database [CSD]. If you are not registered proceed to complete the registration of your company prior to submitting your bid. Refer to <https://secure.csd.gov.za/> to register your company. Ensure that all documentation on the database is updated and valid.
- 5.2 Bidders are also required to submit their CSD Registration "Summary Report".
- 5.3 Bidders must ensure that their tax information on Central Supplier Database [CSD] is in good standing and submit a Valid Tax Clearance Certificate or valid tax compliance status pin.
- 5.4 Bidders should further note that the Central Supplier Database (CSD) will be utilised to confirm compliance to tax and other related matters. It is therefore the bidder's responsibility to ensure compliance in all respects.

6. INSTRUCTION TO BIDDERS

- 6.1. Bids must be properly packaged, clearly marked as *CSD TM 01/21/22* deposited in the tender box on or before the closing date and time at the Department of Community Safety and Transport Management, situated at

Physical address

The North West Provincial Department of Community Safety and Transport Management

Safety House, 31-34 Molopo Road, (Main Entrance)

Security Check Point

Mahikeng

2745

- 6.2 Bid documents will only be considered if received by the Department before the closing date (indicate the date) *22/04/2021* and time, **11h00**.

Late bids will not be accepted.

- 6.3 The Department of Community Safety and Transport Management reserves the right to award the bid in whole or in part and does not bind it to accept the lowest or any bid.

To acquire services for the installation and maintenance of a voice over IP PABX and Network in the premises belonging to the Department of Community Safety and Transport in Mahikeng area (Tirelo building and Safety House) of the North West province, for a period of five (5) years

6.4 The Bidders will be invited to do presentation prior to further evaluation.

7. CONTACT DETAILS

For more detailed information regarding the bid procedure and specifications please contact the following:

Contact Persons:

- **Bid Document: Mr. L.Mojaki – 018 200 8084**
- **Specification Enquiry: Mr.S.Maduma – 018 200 8058/ 7**

Validity period for this bid will be 90 days

Potential bidder(s) must reduce all telephonic enquiries to writing and send them to the above email addresses.

8. DOCUMENTS IN THE BID DOCUMENT PACK

Bidders are to ensure that they have received all pages of this document, which consist of the following documents:

- ❖ Bid Submission Checklist

LIST OF RETURNABLE DOCUMENTS

SECTION 1

- ❖ Special Conditions of Contract (SCC)
 - Adherence to the specification and legal requirements to the Bid
 - Bidders shall include during submission drawings showing to scale the proposed layout of each item of equipment within the PABX room.
 - Bidders shall include in their bid a relevant certificate of compliance as required by ICASA.
 - Bidders are to include a cost saving mechanism.
 - There shouldn't be interruption of service while switching to the backup system or to the UPS (Please provide UPS specification – 3KVA + 10KVA)
 - Bidders must submit the valid certificate of qualified technicians.
 - The recommended bidder (s) will be subjected to Security screening prior to the appointment.

To acquire services for the installation and maintenance of a voice over IPPABX and Network in the premises belonging to the Department of Community Safety and Transport Management in Mahikeng area (Tirelo building and Safety house) of the North West province, for a period of five (5) years



- Maintenance Plan which includes **regular maintenance, servicing, repairs conducted, replacements and new installations when required.**
- Handsets and network points reserved in cases of emergency (damaged handsets and network points).

SECTION 2

- ❖ Invitation to Bid (SBD 1)
- ❖ Price Schedule (SBD 3.1)
- ❖ Declaration of Interest (SBD 4)
- ❖ Preference Points Claim Form In Terms Of The Preferential Procurement Regulations 2017 (SBD 6.1)
- ❖ Declaration of Bidder's past SCM Practices (SBD 8)
- ❖ Certificate of Independent Bid Determination (SBD 9)

Hard copy and the soft copy of the entire tender document including returnable documents saved in the Compact Disc and or Memory Stick, clearly marked with the Bidder's company name and bid number (Failure to submit the compact disk will result in a disqualification)

SECTION 3

- ❖ General Conditions of Contract (GCC)

9. BID SUBMISSION CHECKLIST [CHECK WHETHER ALL RETURNABLES ARE INCLUDED ON THIS CHECKLIST]

- All the relevant forms attached to this bid documents must be completed and signed in ink where applicable by a duly authorised official.
- Use of Tippex and pencil in the bid document are not allowed.
- Where cancellation has been made, bidders should endorse with a signatures.

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Bidders are required to complete the following checklist and to submit it with their bids:
Please note that all the information listed below should be included in the bid.

CHECKLIST

NO	REQUIREMENT	COMPLIANT? (TICK ✓ IN APPROPRIATE BOX)	
		YES	NO
1	SECTION 1		
1.1	Standard Bidding Documents:		
SBD 1	Invitation		
SBD 3.1	Pricing Schedule – Non-Firm Prices		
SBD 4	Declaration Of Interest		
SBD 6.1	Preference Points Claim Form In Terms Of The Preferential Procurement Regulations 2017		
SBD 8	Bidders Past Supply Chain Practices		
SBD 9	Certificate of Independent Bid Determination		
2	SECTION 2		
2.1	Special Conditions of Contract (SCC)		
3.	SECTION 3		
3.1	General Conditions of Contract (GCC)		
4.	ATTACHMENTS		
4.1	Proof of residential address-(municipality account required, Municipal Clearance certificate or rental agreement)		
4.2	Identification copies		
4.3	Company's registration, CK document		
4.4	Valid and original Tax Clearance Certificate/ Tax Compliance Status Pin		
4.5	CSD Registration number (Summary Report)		
4.6	Relevant certificate of compliance as required by ICASA.		

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10. SCOPE OF WORK

10.1 Problem Statement

The current telephone services in the Department of Community Safety and Transport Management was procured by the landlord on behalf of the Department after Telkom was unable to assist with installation of telephone lines due to infrastructure challenge.

The current telephone system interlinks with financial systems (BAS, PERSAL and Walker) the internet system as well as telephones. This therefore debars all sorts of communication and connection with the Department.

10.2 Statement of Work

To acquire Services for regular Maintenance, Servicing, repairs and new installations where required of the following need within the Department of Community Safety and Transport Management for a period of five (05) years:

1. Telephone System (IP PABX)
2. Telephone Handsets
3. Network Points
4. Network Switches
5. Telephone Lines (VoIP)
6. Service of Backup UPS Units (Every Six Months).

10.3 Main Deliverables

The main deliverables will be as follows:

- Monthly Maintenance and repairs of PABX system.
- Installation of new Telephone handset, Network points and Network switch as and when necessary
- Bidders should provide full details of the training schedule for extensions users, Switchboard Operators, telephone administrators and network Centre staff.
- Bidders must also provide the department with user manuals
- Bidders shall include drawings showing to scale to the proposed layout of each items of equipment with the PABX during submission.

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- Bidders shall include with their bid a relevant certificate of compliance as required by ICASA.
- Bidders are to include a cost saving benefit mechanism.
- There shouldn't be interruption of service while switching to the backup system or to the UPS(Please provide UPS specification of 5 KVA and 12 KVA)
- Bidders must indicate when installation or upgrading will take place (should be during office hours unless if arrangements have been made) and whether interruption of existing service will occur and if so, at what intervals and for how long.
- Training should be effected immediately after installation and as and when required during the duration contract.
- Bidders are to supply and install VOIP independently to the existing Network Infrastructure.

SPECIFICATIONS: INSTALLATION AND MAINTENANCE OF A VOICE OVER IP PABX AND NETWORK IN MAHIKENG WITHIN THE NORTH WEST PROVINCE

DESCRIPTION	QUANTITY REQUIRED
STANDARD REQUIREMENTS	
<u>HEAD OFFICE</u>	
<ul style="list-style-type: none"> • Main Switchboard • Extensions (VoIP) • Handsets : <ul style="list-style-type: none"> a) Triple line LCD, hand free operation, 36 flexible buttons, 3 fixed buttons b) Double line LCD, hand free operation, 24 flexible buttons, and 3 fixed buttons. c) Double line LCD, hand free operation, 8 flexible buttons, and 3 fixed buttons. • 48 – Port Management Network POE Switch • 24 – Port Management Network POE Switch • 24 - Port CORE - Management Fabric Switch – All SFP 	<p>01 (One)</p> <p>500 (Five hundred)</p> <p>50 (Fifty)</p> <p>80 (Eighty)</p> <p>320 (Three Hundred and Twenty)</p> <p>18 (Eighteen)</p> <p>15 (Fifteen)</p> <p>01 (One)</p>

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- **Modules to be included**

(All Switches must be Layer 3 – Extreme)

Windows Telephone Management system

Bidders are expected to outline build-in features in the system not with-standing the following standard features:

- a) Fully networkable via LAN and WAN
- b) 1000 account codes
- c) 500 List names (staff members)
- d) 500 Extensions
- e) 12 Directorates
- f) Compatible with ALL PABX's with Ethernet [TCP/IP] outputs
- g) Multiple level top-up facilities for call charges
- h) **REPORTS**

Extension Summary reports :

Extension outgoing cost reports

- a) Extension detail report with budget usage
- b) Directorate summary reports
- c) Directorate detail reports
- d) Top 40/120/300 reports by

Cost

Duration

Number dialed

- a) Exchange summary reports
- b) Exchange detail reports
- c) Account code report
- d) Staff members list reports
- e) Memorized reports

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<p>f) Graphs</p> <p>Busy hour graph History graph Extension bar graph Extension pie chart Exchange line bar graph</p>	
<p style="text-align: center;"><u>SAFETY HOUSE</u></p> <ul style="list-style-type: none"> • Main Switchboard • Extensions (VoIP) - Connecting to Head Office linked to TireloBuiding at no cost when calling /dialing • <u>Handsets :</u> • Double line LCD, hand free operation, 24 flexible buttons, and 3 fixed buttons. • Double line LCD, hand free operation, 8 flexible buttons, and 3 fixed buttons. • 48 – Port Management Network POE Switch (All Switches must be Layer 3 – Extreme) 	<p>10 (Ten)</p> <p>45 (Forty Five)</p> <p>2 (Two)</p>
<p>FEATURES REQUIRED</p> <p>The bidders are expected to outline the key system features covering external line features, system features and also system capacity.</p>	
<p>EXPANSION COSTS</p>	
<ul style="list-style-type: none"> • Per Exchange line card • Per Exchange card • Per Network Switch (48 port switch) 	
<p>MAINTENANCE AND SERVICES PER MONTH</p>	
<p>All services below:</p> <ul style="list-style-type: none"> • PABX and other Solution provided • Telephones and Network Cabling • Telephone Call Management system 	

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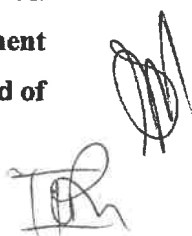
SYSTEM AND ENVIRONMENT

- Bidders shall include during submission drawings showing to scale the proposed layout of each item of equipment within the PABX room
- Bidders shall include with their bid a relevant certificate of compliance as required by ICASA.
- Bidders are to include a cost saving benefit mechanism. This is to ensure the department saves on monthly call costs separately.
- There shouldn't be interruption of service while switching to the backup system or to the UPS.
(Please provide UPS specification – 5 KVA and 12 KVA)

INSTALLATION AND TRAINING

- Bidders must indicate when installation or upgrading will take place (should be during office hours unless if arrangements have been made) and whether interruption of existing service will occur and if so, at what intervals and for how long at time. **The installation process must be effected within a month (30 days) after the award of the contract.**
- Training should be effected after installation and as and when required during the duration of the contract.
- Bidders are to supply and install VOIP independently to the existing Network Infrastructure.
- **The VoIP Service :**
 - a) All extensions are to be allocated with a Direct Number showing their own D.I.D. number :
 - b) Number Range starts from: 018 – 200 8000 to 018 – 200 8500 (500 x numbers).
 - c) Faxes are ranged from – 018 – 011 0530 to 018 – 011 0550 (20 x numbers).

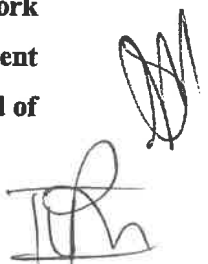
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THE BIDDER MUST COMPLETE THE FOLLOWING PRICING SCHEDULE


DESCRIPTION	QUANTITY REQUIRED	PRICE
MAINTENANCE SERVICE AGREEMENT	60 Months	
Networking Equipment, Fibre-Cabinet Connectivity and UPS Units (Bill of Materials)		
Fibre Networking Infrastructure		
Uninterrupted Power Supply Units		
FINAL TOTAL PROPOSAL INCLUDING VAT @ 15%		

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11. SECTION A

To acquire services for the installation and maintenance of a voice over IPPABX and Network in the premises belonging to the Department of Community Safety and Transport Management in Mahikeng area (Tirelo building and Safety house) of the North West province, for a period of five (5) years




11. SPECIAL REQUIREMENTS AND CONDITIONS OF BID

Bidders should adhere to the following special conditions:

11.1 PRE-QUALIFICATION CRITERIA

Not applicable

11.2. TECHNICAL REQUIREMENTS

- Bidders shall include with their bid the certificate of ICASA
- Bidders must submit the certificate of qualified IT Technicians

Bidders that do not meet pre-qualification criteria stipulated above will be disqualified from further evaluation

11.3. CONTRACT PERIOD

11.3.1. The offer shall be for a period of Five (05) years.

11.4. ORDERING

11.4.1 SERVICE PROVIDER

11.4.1.1. The successful service provider will receive the official purchase order from the ordering Department (it is a pre-requisite that supply and delivery is done upon receipt of order form from Department as supplying and delivering before order form is issued will render service provider the risk of not being paid).

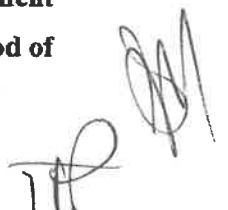
11.4.1.2. The supply and delivery of every item must be in terms of the specifications and purchase order.

11.5. INFRASTRUCTURE

11.5.1. Bidders must be willing to demonstrate the ability, capacity and knowledge (PABX) and Business Solution of Telephone Management System services through site visit.

11.6. DELIVERY

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11.6.1. Contracted service providers should deliver within 48 Hours after receipt of a Formal request from the Department and failure may result in the review or cancellation of the contract under the following conditions:

- Maintenance/ repairs: 48 Hours
- Replacement and new installation of new telephone system ^{within} ~~fourteen~~ 3 days upon receipt of an Official Request.

11.6.2. All contracted services should be provided 24 hours seven days a week.

11.7. RISK

The installed PABX and telephone system serve a purpose of means of communication with internal and external stakeholders in and outside Mafikeng and surrounding areas (within RSA borders). A provision for the Department make calls to areas outside border shall be made through a secret code given only to the dedicated official appointed by the accounting officer. Should the Department not continue with communication process, the following risks are possible:

- The service delivery will be affected, the department become redundant and will run a loss, resulting in no value for money and therefore equaling fruitless and wasteful expenditure.
- Efforts to contribute to North West Province's objectives in rendering an effective service delivery to the community will be nullified.

11.8. PAYMENTS

11.7.1 Contracted service providers

11.7.1.1 Contracted service providers will lodge their payment claims from the Department for orders placed. Payments will be effected within a Minimum of 30 days upon receipt of an original tax invoice.

11.9. BREACH OF CONTRACT

11.9.1. The Department, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:

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- a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- b) if the Supplier fails to perform any other obligation(s) under the contract; or
- c) If the supplier, in the judgment of the Department, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.
- 11.9.2. In the event the Department terminates the contract in whole or in part, the Department may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.
- 11.9.3. Where the Department terminates the contract in whole or in part, the Department may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.
- 11.9.4. If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier 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 supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.
- 11.9.5. 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.
- 11.9.6. If a restriction is imposed, the Department must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
- (i) The name and address of the supplier and / or person restricted by the purchaser;
 - (ii) The date of commencement of the restriction
 - (iii) The period of restriction; and
 - (iv) The reasons for the restriction.

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These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.

11.9.7. 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.

11.9.8. Breaching the contract in terms of the specification, purchase order, the delivery period shall result in the cancellation of the contract. The designated service provider shall bear any difference in price of the said supplies and these amounts plus any other damages which may be suffered by the State shall be paid by the designated service provider to the State immediately on demand.

11.10. INSPECTIONS

11.10.1. Designated government officials will conduct inspections prior to award of contract, during the deliveries to contracted suppliers or anytime during the contract period.

11.10.2. Monthly oversight and random visits by the relevant designated government officials together with Supply Chain Management

11.11. REPORTING

11.11.1. The service provider shall do the overall monthly reporting to the project manager of the Department of Community Safety and Transport Management

11.11.2. The service provider shall provide services strictly in accordance with the specification as well as other relevant legislative provisions

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- 11.11.3. The project manager or his delegate shall be directly responsible for monitoring all activities including the preparation of monitoring reports and their timeous submission to the department.

11.12. OBLIGATIONS

- 11.12.1. The government is obliged to ensure that the contracted service providers supply department with the approved items within the specified period after orders have been placed.
- 11.12.2. Contracted suppliers are obliged to supply and deliver the approved items in terms of the specification and purchase orders to **Department of Community Safety and Transport Management** in the North West Province within specified period.
- 11.12.3. The contracted service providers are obliged to provide the **Department of Community Safety and Transport Management (Government)** with the delivery schedules.
- 11.12.4. The **Department of Community Safety and Transport Management (Government)** to pay the contracted suppliers within the stipulated 30 days period.
- 11.12.5. Default by either party (i.e. the contracted supplier or any government department) in terms of delivery, quality of products and payments must be reported within Seven (7) working days to the Provincial Supply Chain Management Office.
- 11.12.6. All parties are obliged to adhere to these Special Conditions of bids as stipulated in the attached bid forms and General Conditions of Contract.

11.13. SERVICE LEVEL AGREEMENT

- 11.13.1. The Government will enter into a Service Level Agreement with contracted service providers. SLA will be signed by the department and the successful bidder.

11.14. INDUCTION

- 11.14.1. Bidders will be required to conduct training on the use of equipment to all the appointed control room officials and designated officials of the department

11.15. EVALUATION CRITERIA

Stage 1

Legal / mandatory administrative and technical requirements

- ❖ Invitation to Bid (SBD 1)

To acquire services for the installation and maintenance of a voice over IPPABX and Network in the premises belonging to the Department of Community Safety and Transport Management in Mahikeng area (Tirelo building and Safety house) of the North West province, for a period of five (5) years



- ❖ Price Schedule (SBD 3.1)
- ❖ Declaration of Interest (SBD 4)
- ❖ Preference Points Claim Form In Terms Of The Preferential Procurement Regulations 2017 (SBD 6.1)
- ❖ Declaration of Bidder's past SCM Practices (SBD 8)
- ❖ Certificate of Independent Bid Determination (SBD 9)
- ❖ Proof of the following documentation will be required:
 - Proof of residential address – (municipality account required, Municipal Clearance certificate or rental agreement)
 - Proof of residence (Municipal account, Letter from traditional council, lease agreement)
 - Original certified Identification copy/ies of company directors/ Shareholders
 - Company's registration, CK document
 - Valid and Original Tax Clearance Certificate / Tax Compliance Status Pin
 - CSD Registration number
 - Original BBBEE Certificate or originally certified copy/ B-BBEE Status Level Sworn Affidavit Adherence to the specification and legal requirements to the Bid
 - - Joint Venture must submit valid consolidated BBBEE certificate or sworn affidavit.
 - - A signed Joint Venture Agreement (in case of joint venture)

Stage 2

Functionality: A minimum threshold of 60% must be attained by the bidder before evaluated on 80:20 criteria.

NO	ELEMENTS	WEIGHT	SCORE
1.	Proof of experience in the field of installation, and maintenance of a fully fletched voice over IP(PABX) and business solution of telephone management system with telephones a. Between 5 to 9 years = 50	50	

To acquire services for the installation and maintenance of a voice over IPPABX and Network in the premises belonging to the Department of Community Safety and Transport Management in Mahikeng area (Tirelo building and Safety house) of the North West province, for a period of five (5) years

	c. Between 1 to 4 years = 20		
	d. No experience = 00		
2.	Financial Strength Bank Rating – Bidders must provide bank rating certificate from their banks Rating A = 50 Rating B = 30 Rating C= 20	50	
	Total	100	

Stage 3

In terms of regulation 6 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated by the State on the 80/20 preference point system and the lowest acceptable TCO tender will be used to determine the applicable preference point system.

The following formula will be used to calculate the points for price:

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

Where

P_s = Points scored for comparative price of bid under consideration

P_t = Comparative price of bid under consideration

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

To acquire services for the installation and maintenance of a voice over IPPABX and Network in the premises belonging to the Department of Community Safety and Transport Management in Mahikeng area (Tirelo building and Safety house) of the North West province, for a period of five (5) years

A maximum of 20 points may be allocated to a bidder for attaining their B-BBEE status level of contributor in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

Bidders are required to complete the preference claim form (SBD 6.1) in order to claim the B-BBEE status level points.

11.16. Evaluation of trust, consortium, joint venture or partnership

- 11.16.1. A trust / consortium / joint venture / partnership must submit a signed agreement that clearly stipulates the % of ownership and address/place of business.
- 11.16.2. The agreement must clearly state participation of the several constituent person and/or companies and/or firms and the period of duration of the agreement.
- 11.16.3. A trust / consortium / joint venture / partnership must submit a certificate signed by or on behalf of each participating person and/or companies and/or firms authorizing the person who signed the bid to do so.

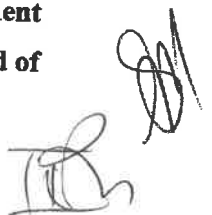
To acquire services for the installation and maintenance of a voice over IPPABX and Network in the premises belonging to the Department of Community Safety and Transport Management in Mahikeng area (Tirelo building and Safety house) of the North West province, for a period of five (5) years

- 11.16.4. A trust / consortium / joint venture / partnership must submit a consolidated B-BBEE Status Level Verification Certificate for every separate bid. Zero (0) points will be awarded if separate B-BBEE certificates are submitted.
- 11.16.5. In bids where Consortia/Joint Ventures/Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate'.
- 11.16.6. Where a trust / consortium / joint venture / partnership are involved, each party must be registered on the CSD and their tax compliance status will be verified through the CSD or through SARS.

11.17. PRICING

- 11.17.1. Bidders must complete pricing schedule form SBD 3.2(Pricing schedule firm prices)
- 11.17.2. Bid prices should be inclusive of all applicable taxes, packaging, other related costs and deliveries.

To acquire services for the installation and maintenance of a voice over IPPABX and Network in the premises belonging to the Department of Community Safety and Transport Management in Mahikeng area (Tirelo building and Safety house) of the North West province, for a period of five (5) years



SECTION B

**PART B
TERMS AND CONDITIONS FOR BIDDING**

- 1. BID SUBMISSION:**
- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
 - 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED-(NOT TO BE RE-TYPED) OR ONLINE**
 - 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.

- 2. TAX COMPLIANCE REQUIREMENTS**
- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
 - 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
 - 2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
 - 2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.
 - 2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
 - 2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
 - 2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.

- 3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS**
- 3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? YES NO
 - 3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA? YES NO
 - 3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? YES NO
 - 3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? YES NO
 - 3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? YES NO
- IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.**

**NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.
NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.**

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

DATE:

**PRICING SCHEDULE – FIRM PRICES
(PURCHASES)**

NOTE: ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED

IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT

Name of bidder.....	Bid number.....
Closing Time 11:00	Closing date.....

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

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY ** (ALL APPLICABLE TAXES INCLUDED)
----------	----------	-------------	---

- Required by:
- At:
- Brand and model
- Country of origin
- Does the offer comply with the specification(s)? *YES/NO
- If not to specification, indicate deviation(s)
- Period required for delivery
- *Delivery: Firm/not firm
- Delivery basis

Note: All delivery costs must be included in the bid price, for delivery at the prescribed destination.

** "all applicable taxes" includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.

*Delete if not applicable

SBD 4

DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state¹, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes an advertised competitive bid, a limited bid, a proposal or written price quotation). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-
- the bidder is employed by the state; and/or
 - the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

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

2.1 Full Name of bidder or his or her representative:

2.2 Identity Number:.....

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

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

2.5 Tax Reference Number:

2.6 VAT Registration Number:

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

¹"State" means –

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

²"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:
.....
.....
.....

2.8 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**

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 **YES/NO**
of the company have any interest in any other related companies
whether or not they are bidding for this contract?

If so, furnish particulars:
.....
.....
.....

DECLARATION

I, THE UNDERSIGNED (NAME)

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2.1 and 2.11.1 ABOVE IS CORRECT. I ACCEPT THAT THE STATEMAY 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

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

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, 2017.

1. GENERAL CONDITIONS

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

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

2

- a) The value of this bid is estimated to **exceed/not exceed** R50 000 000 (all applicable taxes included) and therefore the..... preference point system shall be applicable; or
- b) Either the **80/20** or **90/10** preference point system will be applicable to this tender (*delete whichever is not applicable for this tender*).

1.3 Points for this bid shall be awarded for:

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

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

	POINTS	
PRICE	80	90
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20	10
Total points for Price and B-BBEE must not exceed	100	100

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

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

2. DEFINITIONS

- (a) **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **"B-BBEE status level of contributor"** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) **"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 goods or services, through price quotations, advertised

competitive bidding processes or proposals;

- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
 - 1) B-BBEE Status level certificate issued by an authorized body or person;
 - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
 - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

3.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

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

80/20

or

90/10

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

Where

P_s = Points scored for price of bid under consideration

P_t = Price of bid under consideration

P_{\min} = Price of lowest acceptable bid

4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

5. BID DECLARATION

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

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

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

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

7. SUB-CONTRACTING

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

(Tick applicable box)

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

7.1.1 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 or QSE

(Tick applicable box)

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

v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations, 2017:

Designated Group: An EME or QSE which is at last 51% owned by:	EME √	QSE √
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
OR		
Any EME		
Any QSE		

8. DECLARATION WITH REGARD TO COMPANY/FIRM

8.1 Name of company/firm:.....

8.2 VAT registration number:.....

8.3 Company registration number:.....

8.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

8.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

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

8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
 - (a) disqualify the person from the bidding process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audialterampartem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution.

WITNESSES

1.

2.

.....
SIGNATURE(S) OF BIDDERS(S)

DATE:

ADDRESS

.....

.....

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

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

Item	Question	Yes	No
4.1	<p>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?</p> <p>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</p> <p>The Database of Restricted Suppliers now resides on the National Treasury's website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>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)?</p> <p>The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	<p>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?</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
4.4	<p>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?</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		

CERTIFICATION

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

CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS TRUE AND CORRECT.

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

.....

Signature

.....

Date

.....

Position

.....

Name of Bidder

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Standard Bidding Document (SBD) must form part of all bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
 - a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
 - b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
- 4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

In response to the invitation for the bid made by:

(Name of Institution)

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

I certify, on behalf of: _____ that:

(Name of Bidder)

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

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

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

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

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

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General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:
 - 1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
 - 1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 "Day" means calendar day.
 - 1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.
 - 1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.
 - 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
 - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

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

obligations of the supplier covered under the contract.

1.25 "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

2. Application

2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.

2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.

3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

5. Use of contract documents and information; inspection.

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

5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.

5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.

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

6. Patent rights

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

7. Performance security

- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
 - (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
 - (b) a cashier's or certified cheque
- 7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Inspections, tests and analyses

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract supplies may on or after delivery be inspected, tested or

analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing

9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

10.1 Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.

10.2 Documents to be submitted by the supplier are specified in SCC.

11. Insurance

11.1 The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the SCC.

12. Transportation

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

13. Incidental services

13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:

- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
- (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

- (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

14. Spare parts

14.1 As specified in SCC, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
- (b) in the event of termination of production of the spare parts:
 - (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
 - (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.

15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take

such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

- 16. Payment**
- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.
- 17. Prices**
- 17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.
- 18. Contract amendments**
- 18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.
- 19. Assignment**
- 19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.
- 20. Subcontracts**
- 20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.
- 21. Delays in the supplier's performance**
- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the

supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without canceling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

23. Termination for default

23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:

- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- (b) if the Supplier fails to perform any other obligation(s) under the contract; or
- (c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.

23.4 If a purchaser intends imposing a restriction on a supplier or any

person associated with the supplier, the supplier 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 supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

23.5 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.

23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:

- (i) the name and address of the supplier and / or person restricted by the purchaser;
- (ii) the date of commencement of the restriction
- (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 suppliers or persons prohibited from doing business with the public sector.

23.7 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.

**24. Anti-dumping
and countervailing
duties and rights**

24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which

may be due to him

- 25. Force Majeure**
- 25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.
- 26. Termination for insolvency**
- 26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.
- 27. Settlement of Disputes**
- 27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 27.5 Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
- (b) the purchaser shall pay the supplier any monies due the supplier.
- 28. Limitation of liability**
- 28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;
- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

- (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

- 29. Governing language** 29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
- 30. Applicable law** 30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
- 31. Notices** 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
- 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
- 32. Taxes and duties** 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
- 33. National Industrial Participation (NIP) Programme** 33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.
- 34 Prohibition of Restrictive practices** 34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).
- 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

- 34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.

Js General Conditions of Contract (revised July 2010)