

BID ADVERTISEMENT FORM

Bid description	Appointment of a service provider for provision of physical security services for the Department of Community Safety and Transport Management in all departmental facilities in the North West Province for a period of three (03) years										
Bid number	CS&TM 03/22/23										
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	1	5	1	2	2	0	2	2	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 8171 / 018 200 8416									
	Fax	N/A									
	email	LLMotlhamme@nwpg.gov.za odneito@nwpg.gov.za									
	Contact person	Mr O. Neito - 018 200 8171 - for Specification Ms L. Motlhamme / Ms L. Thaba 018 200 8416 / 8381 - 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										
Compulsory Briefing Session	NONE										



Mr S. Maduma

Director SCM



dcstm

Department:
Community Safety and Transport Management
North West Provincial Government
REPUBLIC OF SOUTH AFRICA



SUPPLY CHAIN MANAGEMENT

Enquiries: IM Marumo
Ground Floor, Tirelo Building
Albert Luthuli Drive
P/Bag X 19 Mmabatho 2735
Tel: +27 (18) 200 8363

INVITATION TO BID

DESCRIPTION:

APPOINTMENT OF SERVICE PROVIDER FOR PROVISION OF PHYSICAL SECURITY SERVICES FOR THE DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT IN ALL DEPARTMENTAL FACILITIES IN THE NORTH WEST PROVINCE FOR PERIOD OF THREE (3) YEARS

Note: This bid is based on District Municipalities

- A. Ngaka Modiri Molema District**
- B. Bojanala District**
- C. Dr. Ruth Segomotsi Mompati District**
- D. Dr. Kenneth Kaunda District**

DATE ISSUED: 24/11/2022

CLOSING DATE: 15/12/2022

TENDER BOX

**THE NORTH WEST PROVINCIAL DEPARTMENT OF COMMUNITY SAFETY –
SAFETY HOUSE, 31-34 MOLOPO ROAD, (MAIN ENTRANCE)
SECURITY CHECK POINT
MAHIKENG**

Name of bidder		Bidder VAT registered?
Total bid price including VAT: (brought forward from SBD 1)		Yes: ☐ No: ☐

"Let's Grow North West Together"



APPOINTMENT OF SERVICE PROVIDER FOR PROVISION OF PHYSICAL SECURITY SERVICES FOR THE DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT IN ALL DEPARTMENTAL FACILITIES IN THE NORTH WEST PROVINCE FOR PERIOD OF THREE (3) YEARS

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1. INTRODUCTION

Appointment of service provider(s) for provision of the physical security services to the Department of Community Safety and Transport Management in the North West Province for a period of three (3) years.

2. BACKGROUND

Various reviews around the supply chain management of security services have highlighted the need for a more coordinated approach in terms of how the commodity is managed and the need for greater consideration of the impact that contracted security services have on the overall performance and reputation of the North West Province.

A provincial treasury is mandated in terms of the Public Finance Management Act (Act 1 of 1999), "to promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities; may assist provincial departments and provincial public entities in building their capacity for efficient, effective and transparent financial management and may do anything further that is necessary to fulfil its responsibilities effectively".



3. SCOPE OF WORK

3.1 Problem statement

The National Key Points Act, 1980 (Act No. 102 of 1980) of the Parliament of South Africa provides for the declaration and protection of sites of **national** strategic importance against sabotage.

Physical Security Industry Regulation Act, 2001 (Act No. 56 of 2001) preamble the adequate protection of fundamental rights to life and security of the person as well as the right not to be deprived of property, is fundamental to the well-being and to the social and economic development of every person.

Security and Facilities Management is mandated to ensure protection of state assets that includes physical assets, information, property, funds etc which in order to curb loss, theft or damage of the above electronic security systems and physical services of security officers must be procured.

It is on the basis of the above background that the Department re-advertise the bid physical security services within the North West Province.

3.2 Statement of Work

Appointment of service provider for provisioning of the physical security services to the Department of Community Safety and Transport Management in the North West Province for a period of three (3) years

Handwritten signature and a circular stamp, likely an official seal or mark.

4. MAIN DELIVERABLES

4.1 Technical requirements

A summary of the **Districts** in which the deliverables described in the paragraph below has to be rendered are:

NGAKA MODIRI MOLEMA DISTRICT CATEGORY A					
No.	FACILITY	DAY SHIFT	NIGHT SHIFT	QUANTITY	PRICE
1	Category A 1 Grade B Supervisor			1	R
2	Tirelo building	12 Grade C & 2 Grade C armed	6 Grade C & 2 Grade C armed	22	R
3	Safety House	3 Grade C & 1 Grade C armed	2 Grade C & 1 Grade C armed	7	R
4	Mahikeng Operator Licensing	3 Grade C & 1 Grade C armed	2 Grade C & 1 Grade C armed	7	R
5	Molopo Licensing and RA	1 Grade C & 1 Grade C armed	1 Grade C & 1 Grade C armed	4	R
6	Montshioa traffic	1 Grade C & 1 Grade C armed	2 Grade C & 2 Grade C armed	6	R
7	Itsoseng Registering Authority	1 Grade C & 1 Grade C armed	1 Grade C & 1 Grade C armed	4	R
9	Lehurutshe Traffic	2 Grade C & 1 Grade C armed	2 Grade C & 1 Grade C armed	6	R
10	Zeerust Weighbridge	1 Grade C & 1 Grade C Armed	2 Grade C & 1 Grade C Armed	5	R
11	Lichtenburg Weighbridge	1 Grade C & 1 Grade C armed	2 Grade C & 1 Grade C armed	5	R
12	Lichtenburg Traffic	2 Grade C & 1 Grade C armed	2 Grade C & 2 Grade C armed	7	R
Total number of security officers				74	
Total cost per month					R
Firearm allowance			Rate: R		R
Profit			%		R
VAT			15%		R
CATEGORY A TOTAL MONTHLY PRICE					R

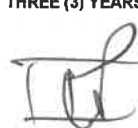


BOJANALA DISTRICT					
CATEGORY B					
NO	FACILITY	DAY SHIFT	NIGHT SHIFT	QUANTITY	PRICE
1	Category D 1 Grade B Supervisor			1	R
2	Moretele Traffic	2 Grade C & 1 Grade C Armed	2 Grade C & 1 Grade C Armed	6	R
3	Brits Traffic	5 Grade C 2 & Grade C armed	2 Grade C & 2 Grade C armed	11	R
4	Mogwase Licensing	2 Grade C & 2 Grade C armed	2 Grade C & 2 Grade C armed	8	R
5	Madikwe Traffic	2 Grade C 2 & Grade C armed	2 Grade C & 2 Grade C armed	8	R
6	Koster Traffic	1 Grade C & 1 Grade C Armed	2 Grade C & 1 Grade C Armed	5	R
7	Koster Weighbridge	1 Grade C & 1 Grade C Armed	1 Grade C & 1 Grade C Armed	4	R
8	Phokeng Registering Authority	1 Grade C & 1 Grade C armed	0	2	R
9	Rustenburg Traffic	4 Grade & 2 Grade C armed	3 Grade C & 2 Grade C armed	11	R
11	Tlhabane Operator Licensing	1 Grade C & 1 Grade C armed	1 Grade C & 1 Grade C armed	4	R
Total number of security officers				60	
Total cost per month					R
Firearm allowance			Rate: R		R
Profit			%		R
VAT			15%		R
CATEGORY B TOTAL MONTHLY PRICE					R

DR RUTH SEGOMOTSI MOMPATI DISTRICT

CATEGORY C

NO	FACILITY	DAY SHIFT	NIGHT SHIFT	QUANTITY	PRICE
1	Category G 1 Grade B Supervisor			1	R
2	Vryburg Traffic	4 Grade C & 1 Grade C Armed	3 Grade C & 1 Grade C Armed	9	R
3	Vryburg Operator Licensing	2 Grade C & 1 Grade C armed	2 Grade C & 1 Grade C armed	6	R
5	Ganyesa Traffic	2 Grade C & 1 Grade C armed	2 Grade C & 1 Grade C armed	6	R
6	Taung Registering Authority	2 Grade C & 1 Grade C armed	1 Grade C & 1 Grade C armed	5	R
7	Taung Traffic	1 Grade C & 1 Grade C armed	1 Grade C & 1 Grade C armed	4	R
8	Christiana Traffic	1 Grade C & 1 Grade C Armed	1 Grade C & 1 Grade C Armed	4	R
9	Kgomotso Registering Authority	1 Grade C & 1 Grade C armed	1 Grade C & 1 Grade C armed	4	R
Total number of security officers				39	
Total cost per month					R
Firearm allowance			Rate: R		R
Profit			%		R
VAT			15%		R
CATEGORY C TOTAL MONTHLY PRICE					R




DR RUTH SEGOMOTSI MOMPATI DISTRICT

CATEGORY C

NO	FACILITY	DAY SHIFT	NIGHT SHIFT	QUANTITY	PRICE
1	Category G 1 Grade B Supervisor			1	R
2	Vryburg Traffic	4 Grade C & 1 Grade C Armed	3 Grade C & 1 Grade C Armed	9	R
3	Vryburg Operator Licensing	2 Grade C & 1 Grade C armed	2 Grade C & 1 Grade C armed	6	R
5	Ganyesa Traffic	2 Grade C & 1 Grade C armed	2 Grade C & 1 Grade C armed	6	R
6	Taung Registering Authority	2 Grade C & 1 Grade C armed	1 Grade C & 1 Grade C armed	5	R
7	Taung Traffic	1 Grade C & 1 Grade C armed	1 Grade C & 1 Grade C armed	4	R
8	Christiana Traffic	1 Grade C & 1 Grade C Armed	1 Grade C & 1 Grade C Armed	4	R
9	Kgomotso Registering Authority	1 Grade C & 1 Grade C armed	1 Grade C & 1 Grade C armed	4	R
Total number of security officers				39	
Total cost per month					R
Firearm allowance			Rate: R		R
Profit			%		R
VAT			15%		R
CATEGORY C TOTAL MONTHLY PRICE					R




4.2. KEY RESPONSIBILITIES

The appointed service provider shall ensure that:

- All state assets (property, vehicles, personnel, physical assets, revenue) are protected.
- Inspections of vehicles and verification of trip authorization for state owned vehicles.
- Conduct random searches of vehicles, visitors and employees entering or exiting the premises.
- Hourly patrol – inspection in and around the facility and parameters.(use of clocking system)
- Record of occurrences/ incidents and report to the Head of the unit immediately and to control room is done.
- Recording of all incoming and outgoing visitors and employees is done.
- Supervision of all the above activities is done.
- Monthly reports to Security management outlining all the deficiencies and the mitigating factors thereof are submitted.
- An effective communication network is established between security officers on site and their control room (24/7).
- Security Officers are to be visited at least twice per shift by the contractor's supervisory personnel to ensure that proper security is maintained. Such visits and appropriate remarks must be noted in the occurrence book.
- The contractor provides a 24 hours' service including weekend and public holidays. Tendered rates per month per security officer shall make allowance for overtime and other allowance as per sector determination.
- Each Security Officer is issued with a detailed site specification/ standard operation procedure, in accordance with the site instruction manual, indicating his exact duties which must include the following:
 - To secure the entire site against theft and vandalism. This includes vehicles and equipment within the site perimeter.
 - To implement an effective access control system for both the client and visitors entering and leaving the premises
 - To do routine patrols
 - To establish good conduct and cordial relationship with visitors and member of the SAPS.



- To conduct random searches to incoming and outgoing vehicles, officials and visitors entering and leaving the premises.
- Security officer must wear same and standard uniform.
- Security officers must carry their security equipment (Baton/ firearm, hand cuffs, pepper spray and whistle) at all times.
- The department will hold the security company responsible (within reason) for any loss or damage to property on the site due to theft or vandalism. Such loss or damage shall be recovered by the Department from the security company.

4.3. SERVICE LEVELS/DUTIES OF SERVICE PROVIDER

- In addition to the above-mentioned service standards, the Service Provider shall at all-time render a service that enhance and maintain at minimum the corporate image of the Department and is in line with the departmental values and ethos.
- The Service Provider shall furthermore comply with any and all service requirements.

5. BRIEFING SESSION

There shall be no compulsory briefing session however; bidders are encouraged to forward their enquiries to the following contact details:

Administrative inquiry:

Ms. L. Motlhamme – 018 200 8416 or LLMotlhamme@nwpg.gov.za

Technical inquiry:

Mr O. Neito - 018 200 8171 or odneito@nwpg.gov.za

The purpose will be to explain the requirement of the bid and completion of bid forms.

6. DURATION OF THE CONTRACT

The successful bidder will be appointed for a period of three (3) years




7. 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	
Distribution of bid documents on the departmental website and Etender portal	
Bid closing date	15/12/2022.

***Dates subject to change.**

Times in this bid are South African Standard Time. 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 way for any bidder to demand that any action be taken on the date established.

The bidders accept 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.

8. CENTRAL SUPPLIER DATABASE [CSD]

- a. 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 are updated and valid.
- b. Bidders are also required to submit their CSD Registration "Summary Report" or Central Supplier Database (MAAA Number) to verify the bidder's compliance status
- c. Bidders must ensure that their tax information on Central Supplier Database [CSD] is in good standing
- d. Bidders should further note that the Central Supplier Database (CSD) will be utilized to confirm compliance to tax and other related matters. It is therefore the bidder's responsibility to ensure compliance in all respects.

9. INSTRUCTION TO BIDDERS.

This bid is for all the Districts located in the North West Province.

- a. Bids must be properly packaged, clearly marked as CS&TM 03/22/23 and deposited in the tender box on or before the closing date and time at the Department of Community Safety and Transport Management, situated at: -
The North West Provincial Department of Community Safety and Transport Management: Safety House, 31-34 Molopo Road, Mahikeng (Main Entrance) Security Check Point.
- b. Bid documents will only be considered if received by the Department before the closing date 15/12/22 and time **11:00**
- c. Bid documents are obtainable by uploading from e-Tender Publication Portal or Departmental website for free, however if for whatever reasons bidders are unable to upload documents they can be collected at Tirelo Building office 32 ground floor.
- d. Bidders shall ensure that their bid documents are properly packaged and pages initialed as per the issued bid document. Department shall not accept liability in regard to claims by bidders that pages are missing or duplicated.
- e. Late bids will not be accepted.
- f. **A bidder must bid for only one district.**
- g. A bid document checklist has been attached on this tender document. Bidders are required to complete the checklist and submit with their bids. All the information listed on the bid document checklist should be included in the bid.



10. CONTACT DETAILS

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

Contact Persons:

Administrative inquiry:

Ms. L. Motlhamme – 018 200 8416 or LLMotlhamme@nwpg.gov.za

Technical inquiry:

Mr O. Neito - 018 200 8171 or odneito@nwpg.gov.za

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

11. SECTION 1.

11.1. Special conditions

- Bidder must ensure employment of local people.
- All security officers must be registered with PSIRA.
- Monthly compliance inspections will be conducted in line with SLA by the Department.
- Bidder must ensure security officers are issued with payslips on monthly basis and will be verified randomly by Department.
- Bidders are limited to be appointed for only one (1) district.
- The recommended bidders will be subjected to periodical security screening before and after the award.
- Contracted service providers are obliged to pay security officers as per PSIRA pricing structure including annual increment for the duration of the contract.
- Adherence to the Service Level Agreement (SLA).
- The Government is obliged to pay the contracted service provider PSIRA annual increment.
- The contracted service providers are obliged to submit all payments documents within first seven (7) days of the beginning of the month.
- The Department is obliged to pay the service provider within thirty days of receiving all correct required documentation.



- 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 Fourteen (14) working days to the Provincial Supply Chain Management Office.
- All parties are obliged to adhere to these Special Conditions of bids as stipulated in the attached bid forms and General Conditions of Contract.
- Confirmation of public liability insurance to the minimum of five million Rand (R5 000 000) must be submitted within 30 days after the awarding of the bid.
- Bidder must ensure establishment of an office with fully functional control room at the district bidding for within thirty (30) days after the award.
- During the award number of security officers may be increased or reduced and facility may be removed/ cancelled or added depending on departmental needs.

11.2. Section 2

- General Conditions of Contract (GCC)

11.3. DOCUMENTS IN THE BID DOCUMENT PACK & BID DOCUMENT CHECKLIST

- All the relevant forms attached to this bid documents must be completed and signed in ink where applicable by 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 signature

Bidders are required to provide the following checklist and to submit it with their bids:




Please note that all the information listed below should be included in the bids.

NO	RETURNABLE DOCUMENT	DESCRIPTION	COMPLIANT? (TICK ✓ IN APPROPRIATE BOX	
			YES	NO
1	SBD 1	Invitation to bid		
2	SBD 3.1	Pricing Schedule		
3	SBD 4	Declaration Of Interest		
4	SBD 6.1	Preference Points Claim Form In Terms Of The Preferential Procurement Regulations 2017		
7	B-BBEE Certificate/Sworn Affidavit attested by a Commissioner of Oaths	Provide Certified Copy		
8	Current and valid PSIRA registration certificate	Provide Certified Copy		
9	Current and valid PSIRA Letter of Good Standing (certified copy)	Provide Certified Copy		
10	Current and valid COIDA Letter of Good Standing (certified copy)	Provide Certified Copy		
11	Current and valid Private Security Fund Provident Fund Letter of Good Standing	Provide Certified Copy		
12	Current and valid Public Liability Insurance Fund Document or Letter of Intent to obtain insurance	Provide Certified Copy or applicable Letter of intent		
13	Letter of Good Standing from the companies' financial institution	Provide Certified Copy Letter to be dated within a three (3) month period prior to bid closure.		
14	Proof of residential address- (municipality account required, Municipal Clearance certificate or rental agreement, tribal authority letter)			
18	CSD Registration number (Summary Report)			

12. SECTION A



12.1 SPECIAL REQUIREMENTS AND CONDITIONS OF BID

Bidders should adhere to the special conditions as stated in the bid document

12.2 CONTRACT PERIOD

The offer shall be for a period of three (03) years.

12.3 SERVICE PROVIDER

The supply and delivery of physical security service should be in line with service level agreement.

12.4 DELIVERY

Services should be provided twenty-four (24) hours and seven (7) days a week including Public holidays and Sundays.

12.5 RISK

12.5.1 State assets may be stolen or damaged.

12.5.2 Buildings may be vandalised or burglaried.

12.5.3 Personnel may be robbed and/or injured.



12.7 PAYMENTS

- **Contracted service providers** will submit monthly invoice for the month which services have been provided for, time sheets of all security officers who were on duty for that month as per Service Level Agreement (SLA).
- Payments will be effected within a maximum of 30 days upon receipt of the verification and monitoring report.

12.8 BREACH OF CONTRACT

- 12.8.1 The Department, without prejudice to any other remedy for breach of contract, by written notice of default sent to the Service provider, may terminate this contract if the Service Provider fails to comply with contract agreement;
- 12.8.2 If the Service provider fails to perform within the period(s) specified in the contract, or within any extension thereof granted by the Department pursuant to GCC Clause 21.2;
- 12.8.3 If the Service provider fails to perform any other obligation(s) under the contract; or
- 12.8.4 If the Service provider, in the judgment of the Department, has engaged in corrupt or fraudulent practices and mal-administration in competing for or in executing the contract.
- 12.8.5 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, services similar to those undelivered, and the Service provider shall be liable to the Department for any excess costs for such similar services. However, the Service provider shall continue performance of the contract to the extent not terminated;
- 12.8.6 Where the Department terminates the contract in whole or in part, the Department may decide to impose a restriction penalty on the Service provider by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years;



- 12.8.7 If a Department intends imposing a restriction on a 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 Department may regard the intended penalty as not objected against and may impose it on the Service Provider;
- 12.8.8 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;
- 12.8.9 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.

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

- 12.8.10 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.



12.8.10.1 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.

12.9 INSPECTIONS

- 12.9.1 Designated government officials and the end-user will conduct physical inspection before the award of contract at the service provider's main site as per attached proof of office.
- 12.9.2 End-user together with Supply Chain Management (SCM) Official will conduct random monthly unannounced or announced inspections in line with the Service Level Agreement (SLA).

12.10 REPORTING

- The contracted service provider will submit monthly report to the Department stating all the progress and deficiencies per site.
- The service provider shall do the overall reporting to the project manager of the Department for the services rendered.
- The service provider shall provide services strictly in accordance with the specification as well as other relevant legislative provisions.

12.11 OBLIGATIONS

- 12.11.1 The Department is obliged to ensure that the contracted service providers price the department in terms of PSIRA pricing structure.
- 12.11.2 Contracted service providers are obliged to pay security officers as per PSIRA pricing structure including annual increment for the duration of the contract.
- 12.11.3 The contracted service providers are obliged to provide services as per the Service Level Agreement (SLA).
- 12.11.4 The Department is obliged to pay the contracted service provider PSIRA annual increment.



- 12.11.5 The contracted service providers are obliged to submit all payments documents within first seven (7) days of the beginning of the month.
- 12.11.6 Default by either party (i.e. the contracted supplier or any - department) in terms of delivery, quality of products and payments must be reported within Fourteen (14) working days to the Provincial Supply Chain Management Office.
- 12.11.7 All parties are obliged to adhere to these Special Conditions of bids as stipulated in the attached bid forms and General Conditions of Contract.

12.12. SERVICE LEVEL AGREEMENT

The Department will enter into a Service Level Agreement with contracted service providers. SLA will be signed by the Accounting Officer and the successful bidder.



13. SECTION B

APPOINTMENT OF SERVICE PROVIDER FOR PROVISION OF PHYSICAL SECURITY SERVICES FOR THE DEPARTMENT OF COMMUNITY SAFETY AND
TRANSPORT MANAGEMENT IN ALL DEPARTMENTAL FACILITIES IN THE NORTH WEST PROVINCE FOR PERIOD OF THREE (3) YEARS



13.1. EVALUATION CRITERIA

13.1.1. Stage 1: Documents packaging, labeling and separation

13.1.1.1. Bid document cover page must be clearly marked as follows:

(District Name)

- Ngaka Modiri Molema District - A
- Bojanala District - B
- Dr Ruth Segomotsi Mompati District - C
- Dr Kenneth Kaunda District - D

NB: BIDDERS MUST ONLY BID FOR ONE DISTRICT OF CHOICE FAILURE TO COMPLY WILL LEAD TO IMMEDIATE DISQUALIFICATION

13.1.2. Stage 2: Legal, mandatory administrative and technical requirements

- SBD 1 - Invitation to bid
- SBD 3.2 – Non – firm price
- SDB 4 – Declaration of Interest
- SBD 6.1 - Preference Points Claim Form In Terms Of The Preferential Procurement Regulations 2017
- CSD Registration number
- Original certified B-BBEE Certificate and or exemption affidavit
- Original certified Company PSIRA Registration Certificate (submit when registration is renewed).
- Original certified Company owner (s)/ director (s) PSIRA Grade B or A
- Original certified PSIRA Letter of Good Standing
- Original certified COIDA Letter of Good Standing
- Public Liability Insurance Document or Letter of Intent (to the ratio of R1 000 000.00 per district, provide update when renewed).

N.B Bidders must submit completed and signed documents, Non-adherence will lead to disqualification

APPOINTMENT OF SERVICE PROVIDER FOR PROVISION OF PHYSICAL SECURITY SERVICES FOR THE DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT IN ALL DEPARTMENTAL FACILITIES IN THE NORTH WEST PROVINCE FOR PERIOD OF THREE (3) YEARS



- Original / original certified BBBEE Certificate /sworn affidavit issued by commissioner of oath must be attached. Failure to attach will result in public bidders losing points.
- Proof of office physical address for the physical verification

13.1.3. Stage 3 : Functionality

Assessment of functionality with a minimum overall threshold of 70% that must be attained by the bidder before the bid can be taken to the next stage of the evaluation.

NO	ELEMENT	WEIGHT	SCORE
1.	Previous experience on provision of physical security (Reference letter (s) in clients letterhead with contact details, duration and monthly/ contract amount)	50	
	a. Seven (7) years and above = 50 b. Between 3 – 6 years = 35 c. Between 1 – 3 years = 20 d. Less than 1 year = 05		
2.	Financial Strength Bank Rating – Bidders must provide bank rating certificate from their banks	50	
	Rating A = 50 Rating B = 35 Rating C = 20 Rating D & lower = 05		
	TOTAL	100	

13.1.4. Stage 4: SITE INSPECTION

Assessment of site inspection with a minimum overall **threshold of 70%** that must be attained by the bidder before the bid can be taken to the next stage of the evaluation.

NO	ITEM	WEIGHT	SCORE	COMMENT
OFFICE LOCATION				
1	Main office (Verification as per attached proof of office address)	5		
2	Office signage from the street and outside the building	5		
3	Office layout (The office must have a control room built with concrete slab and must be separated from the main office and other offices)	5		
4	Control room (Lockable, have chair and table/ desk and access controlled)	5		
SCORE A		20		
NB: ANYTHING NOT FOUND OR NOT IN A REQUIRED STATE AS ABOVE BIDDER WILL BE SCORED AS ZERO (0)				
OPERATION/ FUNCTIONALITY AND SECURITY AIDS				
S/NO	ITEM	WEIGHT	COMMENT	SCORE
1	Controlled access into the office	8		
2	Controlled access into the control room	8		
3	Firearm safe (Mounted and in safe environment where access is controlled)	8		
4	Eight (8) firearms with Licenses and firearm registers or permits	8		
5	Company corporate security uniform at least ten (10) of each (Trousers, shirts, blazers/ pull over, shoes, belt, rain coat, winter jacket)	8		
6	Company registers at least eight (8) of	8		

APPOINTMENT OF SERVICE PROVIDER FOR PROVISION OF PHYSICAL SECURITY SERVICES FOR THE DEPARTMENT OF COMMUNITY SAFETY AND TRANSPORT MANAGEMENT IN ALL DEPARTMENTAL FACILITIES IN THE NORTH WEST PROVINCE FOR PERIOD OF THREE (3) YEARS

	each (OB, Visitor, Vehicles, Laptops, Access permits, After hours, personnel, State vehicles)			
7	Security aids at least ten (10) of each (Batons, hand cuffs, pepper sprays, metal detectors)	8		
8	At least three (3) company vehicles branded on the sides and on the bonnet	8		
9	One (1) X Base radio/ main radio with radius and frequency at least 100 kilometers	8		
10	Minimum of six (6) X two-way radios/ PTT any form of control to sites communication	8		
SCORE B		80		
TOTAL SCORE		100		

NB: ANY NUMBER OF ITEMS BELOW THE REQUIRED NUMBER THE BIDDER WILL BE SCORED AS ZERO (0)

13.1.5. Stage 5

The bid price per security officer must comply with the requirements of latest PSIRA Illustrative Contract Pricing Guideline and Regulation. A total cost per month must reflect the firearm allowance, profit and VAT.

Preference Point System		
Description		Points Allocated
1.	Price	90
2.	Broad-Base Black Economic Empowerment (B-BBEE)	10
TOTAL POINTS		100

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 **90/10** 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

A maximum of 10 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

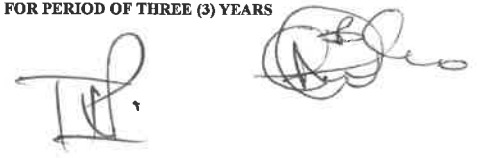
12.17 Bidders are required to complete the preference claim form (SBD 6.1) in order to claim the B-BBEE status level points.

12.18 Evaluation of trust, consortium, joint venture or partnership, trust / consortium / joint venture / partnership must submit a signed agreement that clearly stipulates the % of ownership and address/place of business.

- 12.19 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.
- 12.20 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.
- 12.21 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.
- 12.22 In bids where Consortia/Joint Ventures/Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate'.
- 12.23 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.

12.24 PRICING

- Bidders must complete pricing schedule form SBD 1 (Pricing schedule firm prices).
- Bidders must complete pricing schedule form SBD 3.2 (Pricing schedule non-firm prices).
- Bidders must complete price column of site specification categories as per clause 9.1.1 above. Any additional price page will be ignored.
- Bid prices should be as per latest PSIRA Illustrative Contract Pricing Guideline and Regulation.
- Original/ original certified BBEEE Certificate/ sworn affidavit issued by commissioner of oath must be attached. Failure to attach will result in Public bidders losing points.



PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT / PUBLIC ENTITY)			
BID NUMBER:		CLOSING DATE:	
DESCRIPTION			
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)			

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL ENQUIRIES MAY BE DIRECTED TO:	
CONTACT PERSON		CONTACT PERSON	
TELEPHONE NUMBER		TELEPHONE NUMBER	
FACSIMILE NUMBER		FACSIMILE NUMBER	
E-MAIL ADDRESS		E-MAIL ADDRESS	

SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] ☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		TICK APPLICABLE BOX] ☐ Yes ☐ No

[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	☐ Yes ☐ No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
---	--	--	--

QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

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

PART B TERMS AND CONDITIONS FOR BIDDING

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 IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.
- 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
- 1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).

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 VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
- 2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
- 2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
- 2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
- 2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

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

SIGNATURE OF BIDDER:

.....

CAPACITY UNDER WHICH THIS BID IS SIGNED:

.....

(Proof of authority must be submitted e.g. company resolution)

DATE:

.....

PRICING SCHEDULE – NON-FIRM PRICES (PURCHASES)

NOTE: PRICE ADJUSTMENTS WILL BE ALLOWED AT THE PERIODS AND TIMES SPECIFIED IN THE BIDDING DOCUMENTS.

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

** "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

A NON-FIRM PRICES SUBJECT TO ESCALATION

- $$Pa = (1 - V)Pt \left(D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + D4 \frac{R4t}{R4o} \right) + VPt$$

P_a	=	The new escalated price to be calculated.
$(1-V)P_t$	=	85% of the original bid price. Note that P_t must always be the original bid price and not an escalated price.
$D_1, D_2...$	=	Each factor of the bid price eg. labour, transport, clothing, footwear, etc. The total of the various factors $D_1, D_2...$ etc. must add up to 100%.
$R_{1t}, R_{2t}.....$	=	Index figure obtained from new index (depends on the number of factors used).
R_{1o}, R_{2o}	=	Index figure at time of bidding.
VP_t	=	15% of the original bid price. This portion of the bid price remains firm i.e. it is not subject to any price escalations.

- Index..... Dated..... Index..... Dated..... Index..... Dated.....
Index..... Dated..... Index..... Dated..... Index..... Dated.....

- [illegible]

B PRICES SUBJECT TO RATE OF EXCHANGE VARIATIONS

1. Please furnish full particulars of your financial institution, state the currencies used in the conversion of the prices of the items to South African currency, which portion of the price is subject to rate of exchange variations and the amounts remitted abroad.

PARTICULARS OF FINANCIAL INSTITUTION	ITEM NO	PRICE	CURRENCY	RATE	PORTION OF PRICE SUBJECT TO ROE	AMOUNT IN FOREIGN CURRENCY REMITTED ABROAD
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		

2. Adjustments for rate of exchange variations during the contract period will be calculated by using the average monthly exchange rates as issued by your commercial bank for the periods indicated hereunder: (Proof from bank required)

AVERAGE MONTHLY EXCHANGE RATES FOR THE PERIOD:	DATE DOCUMENTATION MUST BE SUBMITTED TO THIS OFFICE	DATE FROM WHICH NEW CALCULATED PRICES WILL BECOME EFFECTIVE	DATE UNTIL WHICH NEW CALCULATED PRICE WILL BE EFFECTIVE

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

2. Bidder's declaration

- 2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest¹ in the enterprise, employed by the state? **YES/NO**

- 2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

Full Name	Identity Number	Name of State institution

- 2.2 Do you, or any person connected with the bidder, have a relationship

¹ the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

with any person who is employed by the procuring institution? YES/NO

2.2.1 If so, furnish particulars:

.....

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract? YES/NO

2.3.1 If so, furnish particulars:

.....

3 DECLARATION

I, _____ the _____ undersigned,
 (name)..... in
 submitting the accompanying bid, do hereby make the following
 statements that I certify to be true and complete in every respect:

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring

² 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.

SBD4

institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

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

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of bidder

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 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).

1.2

- a) The value of this bid is estimated to exceed/not exceed R50 000 000 (all applicable taxes included) and therefore the ~~80/20~~ 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	
B-BBEE STATUS LEVEL OF CONTRIBUTOR	
Total points for Price and B-BBEE must not exceed	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	☐	NO	☐
-----	--------------------------	----	--------------------------

- 7.1.1 If yes, indicate:

- What percentage of the contract will be subcontracted.....%
- The name of the sub- contractor.....
- The B-BBEE status level of the sub-contractor.....
- Whether the sub-contractor is an EME or QSE

(Tick applicable box)

YES	☐	NO	☐
-----	--------------------------	----	--------------------------

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 least 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 *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution.

WITNESSES

- 1.
- 2.

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

DATE:

ADDRESS

.....

.....

THE NATIONAL TREASURY

Republic of South Africa



GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT

July 2010

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.

TABLE OF CLAUSES

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

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 Programme (NIP)

- 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)