

SUMMARY OF TENDER



1. Assignment:	Alexkor SOC Limited group requires a suitable qualified and experienced service provider to submit proposals for independent internal audit service provider with the requisite expertise and track record that can provide and maintain a professional and competent internal audit service for the period of two (2) years.
2. Name of the responsible unit:	Supply Chain Management (SCM).
3. Address for submitting bid proposals and other correspondence:	Alexkor RMC JV Richtersveld Mining Company (RMC) Joint Venture (JV) 1 Orange Road Alexander Bay
4. Telephone number:	(011) 253 9567
5. Email:	tenders@alexkor.co.za
6. Attention:	Mr. Khwezi Finini
7. Closing Date & Time for submission:	11 July 2025 at 12h00 am
8. Bid description:	Outsourcing of the Internal Audit Services for Alexkor Soc Group
9. Bid number:	ALEX RFP 02/2026
10. Compulsory online briefing session	25 June 2025, time 10h00 morning Microsoft Teams Meeting ID: 379 298 615 740 9 Passcode: rm7aR6FX

1. BACKGROUND

1.1 Alexkor

Alexkor SOC Limited ("the Company" or "Alexkor") was established in terms of the Alexkor Limited Act, No. 116 of 1992, as amended by the Alexkor Amendment Act, No. 29 of 2011. The Company is listed as a Schedule 2 public entity, wholly owned by the Government through the Minister of Department of Minerals Resources & Energy as the Shareholder representative. **The Company has two business units, which includes the Pooling and Sharing Joint Venture (PSJV) in Alexander Bay and Alexkor corporate unit in MegaWatts, Johannesburg and Rehabilitation Trust.**

1.2 Background of the Bid

Section 51 (1) (a) (ii) of the PFMA ("the Act") requires that the Accounting Officer of a Public Entity must ensure that the Public Entity has and maintains a system of Internal Audit under the control and direction of an Audit Committee complying with and operating in accordance with regulations and instructions prescribed in terms of Section 76 and 77 of the Act. To ensure that an effective and efficient Internal Audit (IA) function is maintained, Alexkor seeks to appoint a suitably qualified and experienced service provider to provide Internal Audit services for a period of two (2) years, on 80/20 PPPFA 2000, Preferential Procurement Regulations, 2022, commencing upon the counter signing of the Service Level Agreement (SLA) by Alexkor and the preferred bidder.

2. GENERAL GUIDELINES

Completed tender submissions should be hand delivered in a sealed envelope and deposited in the Tender Box at Alexkor RMC PSJV in Alexander Bay, at the reflected address on page 1 of this document. All envelopes should be sealed and clearly marked.

All enquiries should be in writing and must be directed to: tenders@alexkor.co.za for attention of Mr. Khwezi Finini at Tel; (027) 831 8386, Enquiries will be allowed from the date of invitation until **01 July 2025 at 11h00 am.**

The enquiries will be consolidated and Alexkor will issue one written response and such response will be posted, within two days after the last day of enquiries, onto the Alexkor website (www.alexkor.co.za) under tenders i.e. next to the same RFP document.

In line with the requirements of the Public Finance Management Act No. 1 of 1999 (PFMA) and Treasury Regulations, Alexkor seeks to engage the services of duly qualified service provider.

2.1 Terms of Reference (ToR)

The purpose of this bid is to appoint a suitable qualified and experienced service provider to provide Internal Audit services for the period of two (2) years.

2.2 Submission of Proposals

2.2.1. The bid should be hand delivered or couriered to the address specified on page 1 of this document and it should be clearly marked as:

"INTERNAL AUDIT SERVICES, REFERENCE NUMBER: ALEX RFP 02/2026"

2.2.2. The closing date for Submission of bids is **11 July 2017** at 12h00 am.

2.2.3. Completed proposals should be deposited during working hours (08h00 to 16h00).

2.2.4. The bid closing date, bidder name and the return address must be indicated on the envelope.

2.2.5. If a courier service company is used for delivery of the bid response, the bid description must be indicated on the delivery note/courier packaging and the courier must ensure that documents are placed/deposited into the tender box. Alexkor group will not be held responsible for any delays,

2.2.6. Where a bid response is not in the box at the time of the bid closing, such a bid document will be regarded as a late bid. **It is Alexkor's group policy not to consider late bids for tender evaluation.**

Bidders are requested to submit one original and one copy of the bid.

2.3.7 Bidders should adhere to the following;

2.3.7.1 No costs have been prescribed for the Bidding Document.

2.3.7.2 All proposals must be priced in ZAR, inclusive of VAT.

2.3.7.3 If the bid does not include all the required information, the bid will be considered invalid.

2.3.7.4 The price must remain valid for a period of one hundred and twenty (120) calender days from the date of submission.

2.4 Infrastructure

It is expected that bidders will be able to provide basic facilities, systems and capital equipment needed for effective and efficient delivery of the services/projects without any upfront payment by Alexkor group.

2.5 Costs to be borne by Service Provider

All expenses incurred by the bidders in any way associated with the development, preparation and submission of responses and providing any additional information required by Alexkor group, will be borne entirely and exclusively by the service provider.

2.6 No Legal Relationship

No binding legal relationship will exist between any of the bidders and Alexkor group until the execution of a signed Service Level Agreement (SLA). The Terms of Reference (ToR) document will not form part of any such contract or arrangement.

2.7 Evaluation of the proposals

Each bidder acknowledges and accepts that Alexkor group may, at its absolute discretion, apply selection criteria specified in this document for the evaluation of proposals for short listing/selecting the eligible bidder(s).

3 INSTRUCTIONS FOR PROPOSALS

3.1 Format of your Proposal

The proposal should be presented in two sections i.e. Technical Proposal and Financial Proposal

3.1.1 Technical Proposal format

Bidders are at liberty to structure their proposal according to any format, as long as it covers all areas specified in this RFP.

3.1.2 Technical Approach

The bidders should adhere to the Terms of Reference.

Bidders must at a minimum cover the following requirements as part of their submission:

- Proposed methodology and activity plan that clearly depicts understanding of the TOR and internal audit requirements of Alexkor group.
- Bidders should demonstrate how the proposed methodology is in line with applicable standards, rules, regulations and best practices.
- The position(s) involved in the direct delivery of the service to be provided and in overall management of the work and the names of the people who will fill these positions. Provide information in a table format e.g.;

Name	Position	Duties/Activities

3.2 Experience

3.2.1 Company Experience

- 3.2.1.1 Bidders are required to provide proof that they have performed similar services. Letters of reference must be submitted.

3.2.2 Individual Experience

- 3.2.2.1 Bidders are required to submit abridged CV's of key personnel and qualifications.

4. SCOPE OF SERVICE/WORKS

The key objective of this project is to provide internal audit services to ALEXKOR group.

The internal audit function, although outsourced, must add value and be seen as a governance and assurance tool that enhances the system of internal controls at a reasonable cost, as well as ensuring compliance to the provisions of the Public Finance Management Act, 1 of 1999, as amended, the applicable Treasury Regulations, Risk Management Standards and Frameworks and the Standards of Professional Practice in Internal Audit (SPPIA) as set by the Institute of Internal Auditors. This would also include application of the principles of the King IV Report on Corporate Governance as well as any other related legislation, policies and frameworks.

ALEXKOR group believes that effective internal audit serves the corporate conscience and would champion operational efficiency, internal control, and corporate governance and risk management. The service provider would also be expected to educate and make relevant recommendations to

ALEXKOR group Management and the Board and/or other governance and oversight bodies, to support the Board in meeting its goals and objectives.

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

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

- a) Review the Internal Audit and Audit and Risk Committee Charters.
- b) Develop an annual audit plan, with budget, and three-year rolling audit plan based on the risk assessment results for approval by the Audit and Risk Committee as well as the Board.
- c) Perform risk-based audit assignments as per the standards and guidelines set out by the Standards for the Professional Practice of Internal Auditing.
- d) Execute the annual audit plan as it pertains to the contract period.
- e) Evaluate the effectiveness of risk management and corporate governance systems against international standards and provide counsel and guidance at Board and Executive Management level.
- f) Assist ALEXKOR group to update its current internal audit methodology in order to ensure uniformity in the operations of all internal audit assignments.
- g) Perform any adhoc investigations and audits as requested by Management and the Audit Committee and/or Board.
- h) Report through the Office of the Chief Financial Officer the results of the review and the progress against the plan at Management meetings and to the Audit Committee and/or Board where progress from internal audit is required.
- i) Work closely with the external auditors and other assurance providers to ensure there is synergy of approach with little duplication of effort.
- j) Play a key role in managing the combined assurance model as recommended in King IV. This can include the following:
 - Evaluate / assess the combined assurance model and report to the Audit and Risk Committee on its effectiveness;
 - Review / evaluate the assurance provided by the first and second line of defence.
- k) Timely liaison with Management.
- l) Review of the Annual Financial Statements for compliance with IFRS standards
- m) Fulfil all requirements pertaining to internal audit as reflected in the Public Finance Management Act, Treasury Regulations and any other regulatory authorities.
- n) Assist with sharing of best practices, such as checklists and templates with ALEXKOR group. Furthermore, the successful bidder should demonstrate strong capacity for thought leadership, the ability to provide ALEXKOR group with publications, notifications and summaries via the CFO's office, detailing the latest developments in at least but not limited to the following areas: Risk Management, Financial Management, SCM, Compliance and Corporate Governance, Information Technology and Human Resources.

2.1 ITEMS TO BE INCLUDED IN PROPOSAL

Based on knowledge obtained of ALEXKOR via our website, knowledge of industry etc, applicants should:

- a) Indicate what they think will be the highest risk areas of ALEXKOR group;
- b) Provide a proposed three-year and detailed risk based annual operational plan;

- c) Provide examples of reports (i.e templates) to management and audit committee.
- d) The audit plan will however, be adapted based on the results of the finalised risk assessment, discussions with management and the Audit committee.
- e) An overview of the internal audit methodology used by the firm should also be provided.

3. SPECIFICATIONS OF SKILLS REQUIRED

- a) ALEXKOR group requires that the service provider shall make use of dedicated internal audit resources (corporate governance review, risk management, performance auditing, audit of pre-determined objectives, etc.), who has a sound understanding of internal audit methodologies and techniques with practical experience on similar assignments, as well as a strong knowledge and understanding of government processes, systems and practices.
- b) It will be preferred that the person (Director / Partner) leading the Internal Audit project must have implemented an outsourced/co-sourced internal audit service from cradle to grave or that has been the head of an in-house internal audit function him/herself.
- c) The Internal Auditor needs to have quality reviews every 5 years. Please explain how this requirement in terms of Internal Auditors' Standards and best practice is fulfilled.

4. STANDARD REQUIREMENTS OF THE BID

4.1 Disclosures

4.1.1 The bidder must disclose:

- If they are or have been the subject of any proceedings relating to bankruptcy/insolvency.
- If they have been convicted of, or are the subject of any proceedings, relating to:
 - A criminal offence or other offence, involving the activities of a criminal nature in its organisation or found by any regulator or professional body to have committed professional misconduct.
 - Corruption, including the offer or receipt of any incentive of any kind in relation to obtaining any contract with any contracting authority.
 - Failure to fulfill any obligation in any jurisdiction relating to the payment of taxes and other legal obligations.

4.1.2. If a bidder or related company or any individual discloses details of any previous misconduct or complaint, Alexkor group will seek an explanation and background details. At the sole discretion of Alexkor group, an assessment as to whether the bidder will be allowed to continue to the next phase of the evaluation phase will be made.

4.1.3 Disclosure extends to any company in the same group of the bidder, including but not limited to parent, subsidiary and related parties, companies with common shareholders (whether director or indirect) and parties with whom the bidder is associated in respect of this tender.

4.2 Disclaimer

Alexkor group reserves the right to not appoint a service provider and to:

- Award the contract or any part thereof to one or more service providers;
- Reject all the bids;
- Decline to consider any bids that do not conform to any aspect of the bidding requirements;
- Request further information from any bidder after the closing date for clarity purposes;
- Cancel this bid or any part thereof at any time; and
- Should any of the above occur, it will be communicated in writing to all the bidders.

4.3 Confidentiality

- Bids submitted will not be disclosed to any other bidders
- All information pertaining to Alexkor group obtained by the bidder as a result of participation in this RFP is confidential.

4.4 Disqualification

Any form of canvassing/lobbying/influence regarding the short listing will result in disqualification.

5. EVALUATION CRITERIA

Bids will be evaluated in three (3) phases/stages

Phase 1-Evaluation of Compliance.

This entails initial screening of bid responses received at close of the bid. During this phase, bid responses are registered to ascertain the number of bid responses received before the closing date and time and to verify if the bidders submitted all the mandatory requirements.

The following mandatory documents must be submitted for the next phase of evaluation:

- Valid Tax Clearance Certificate and SARS pin
- Certificate/proof of membership of a professional body (Institute of Internal Auditors (IIA), by the bidder. (Please attach certified copy of membership).
- Valid BBBEE Certificate.
- All the SBD (standard bid document) forms must be fully completed and signed off.
- Copy of the Company registration.
- Central Supplier Database (CSD) not older than one (1) month
- Company profile.
- Joint Venture/Consortium agreement (each TCC, CSD, Company profile, CIPC document, Certificate/proof of membership of a professional body and Combined valid BBBEE certificate). If applicable

Phase 2-Technical Requirements/Functionality Assessment

This evaluation will be based on the responses using the functional assessment that is previous experience, expertise and technical approach.

The bidder must score at least 70 points or more on functionality out of 100 points to qualify for the next phase.

TECHNICAL CRITERIA	MAXIMUM POINTS PER CRITERION
TECHNICAL APPROACH Proposed methodology and activity plan that clearly depicts understanding of the Terms of Reference and internal audit requirements of ALEXKOR group (50 Points) The following areas will be evaluated: ▪ Risk-based audit (8 points) ▪ Understanding of high-risk areas (6 points) ▪ Supported by Technical department (6 points) ▪ Specialised IT audit skills (6 points) ▪ Value-added services, for example sharing of best practices, such as checklists and templates with the ALEXKOR group and demonstrating strong capacity for thought leadership (6 points) ▪ Ability and capacity to provide ad-hoc services (examples: review of financial statements, IFRS consulting, risk management related services, etc.) (6 points) ▪ The ability and capacity to service the ALEXKOR group (6 points) ▪ Quality Assurance improvement programme as per International Standards for the Professional Practice of Internal Auditing (6 points). ▪ Use of audit software (e.g, data analytics) to perform audit engagements (6points)	50

EXPERIENCE, SKILLS AND ABILITY OF SERVICE PROVIDER The bidder should demonstrate the following experience by providing reference letters from previous clients. The references should be in the form of a written letter on an official letterhead. Years of Internal Audit Experience ▪ 5 Years or more (15 points) ▪ 3-5 Years (10 points) ▪ 0-2 Years (0 Points) Regulatory management industry experience ▪ PFMA regulatory experience (5 Points), ▪ No PFMA regulatory experience (0 points) Financial Management Support ▪ Ability to assist ALEXKOR group with technical assignments, such as review of financial statements, IFRS consulting, risk management-related assignments, etc. (5 points) ▪ Unable to assist ALEXKOR group with technical assignments (0 points) ▪ Failure to submit written reference letters on official letterhead will result in 0 scoring.	25
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TECHNICAL CRITERIA	MAXIMUM POINTS PER CRITERION
EXPERIENCE, SKILLS AND ABILITY OF RESOURCES Number of Staff to be involved in the ALEXKOR group team (supported by CV with specific experience period , qualifications and proof of IIASA membership): ▪ 3 Senior members with more than 5 years' experience (10 points) ▪ 2 Senior members with more than 5 years' experience (6 points) ▪ 1 Senior members with more than 5 years' experience (3 points) ▪ 0 Senior members with more than 5 years' experience (0 points) Specific experience in the Public Sector (supported by CV's with specific experience period) ▪ 3 Senior members (5 points) ▪ 2 Senior members (4 points) ▪ 1 Senior members (3 points) ▪ 0 Senior members (0 points)	15

EXTERNAL QUALITY REVIEW The Internal Auditor needs to have quality reviews every 5 years. Proof of external review to be provided. ▪ Proof of Quality assessment through a full external assessment (10 points) ▪ Quality assessment through self-assessment with independent external validation (5 points) ▪ No assessment (0 point) Note: The quality reviews must have concluded that the entity has conformance with the Code of Ethics and the Standards	10
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Stage 3- Evaluation in terms of PP Regulation, 2022 (80/20)

This bid will be evaluated and adjudicated according to the 80/20 preference points system. The 80 points will be awarded for price and 20 points will be awarded on the BBBEE specific goals.

Breakdown of points

90/10 Preferential point component	Points
Pricing	80
BBBEE specific goals	20
Total	100

$$P_s = 80 * \left(1 - \frac{(P_t - P_{min})}{P_{min}} \right)$$

- * P_s = Points scored for price of tender under consideration.
- * P_t = Price of tender under consideration and;
- * P_{min} = Price of lowest acceptable tender

5.1 Specific Goals

Alexkor group has identified specific goals which will be used to promote transformation and empowerment in the request for proposal. The specific goals applicable to this tender/bid is stated in the table below;

No.	The specific goal in terms of this tender/bid	Number of points (20 points)	Documents to be submitted for verification
1	Percentage (%) ownership black	Points (10)	- Valid B-BBEE certificate/Sworn affidavit
	51% -100 %	10	
	0%-50%	5	
2	Percentage (%) ownership by women	Point (5)	- Valid B-BBEE certificate/Sworn affidavit
	51% -100 %	5	
	0%-50%	2.5	
3	Percentage (%) ownership by Youth	Points(3)	- Valid B-BBEE certificate/Sworn affidavit
	51%-100 %	3	
	0%-50%	2	
4	Percentage (%) ownership people living with disability	Points(2)	- Valid B-BBEE certificate/Sworn affidavit
	51% -100 %	2	
	0%-50%	1	

6. PRICING PROPOSAL

- Provide a "Pricing Grid or "Transaction Fee Schedule;
- The total price should be split between the two years. The total bid price will remain fixed for the period of two years.
- The total bid amount for 2 years should be transferred to the standard bidding form/document (SBD 1).

6.1 Pricing format:

Points awarded for price is (80 points).

It is understood that audits are based on hourly rates and that budgets are compiled once the appointed auditor has assessed the likely extent of the work and therefore, should we require additional audit assignment hours, proposals will be compared on the basis of hourly rates.

Bidders are requested to quote as per below;

Category	Rate per hour Year 1	Hours	Price Year 1	Price adjusted for inflation @ 4.2% Year 2	Price adjusted for inflation @ 4.4% Year 3	Total Bid Price
Partner/Director	R			R	R	R
Manager	R			R	R	R
Supervisor	R			R	R	R
Senior Auditor	R			R	R	R
Trainee Auditor	R			R	R	R
Specialist (e.g., technical, ICT)	R			R	R	R
Total		3000				

Rates should be inclusive of VAT.

The cost quoted excludes costs that relate to disbursements. Commitment, however, is required to follow SARS rates for travelling and subsistence. ALEXKOR group will provide accommodation.

NOTE: Quoted prices to be valid for one hundred and twenty (120) calendar days and no variation to the accepted quote will be allowed unless the service provider has obtained prior written approval from ALEXKOR group.

The total budgeted hours per annum are 3000 hours to be allocated to the resource requirements

7. PAYMENT TERMS

Alexkor group undertakes to pay valid tax invoices in full within thirty (30) days from statement date for services rendered.

8. VALIDITY

A proposal shall remain valid for one hundred and twenty (120) calendar days after the closing date of the submission for proposals.

9. SIGNATORIES

All responses to this RFP should be signed off by the signatories of the bidder.

10. SPECIAL TERMS AND CONDITIONS

- Alexkor group reserves the right to accept or reject any submission in full or in part, and to suspend this process and reject all proposals or part thereof, at any time prior to the awarding of the bidder.
- This bid will be subject to the General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the PFMA.
- Alexkor group is the sole adjudicator of the bid and the decisions in this regard will be final.
- The Annexures are part of the bid documentation and must be signed by the bidder and attach to the bid document.

11. CLARIFICATION / ENQUIRIES

Responses to this bid must be submitted to Alexkor group by not later than;

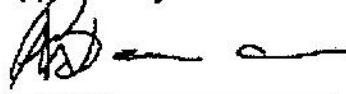
Date: 01 July 2025 Time: 11h00 am.

Telephonic request for clarification will not be considered. Any clarification required by a bidder regarding the meaning or interpretation of the Terms of Reference or any other aspects concerning the bids are to be requested in writing (letter or email) from the below contact person. The bid reference number should be mentioned in all correspondence.

Reference on the subject of the email: ALEX RFP 02/2026

E-mail; tenders@alexkor.co.za. Enquiries received will be responded to within two (2) working days of receiving the enquiry.

Approved by:



Mr. W. Basson

Acting CEO

Date 19/6/2025



(Reg. No. 2006/034807/07)

ANNEXURE A ALEX RFP 02/2026

BID SUBMISSION CHECKLIST-

Name of the Bidder:			
Item/No.	Description	Yes	No
1.	Please indicate below if whether the SBD (Standard Bidding Document) Forms are completed and signed by the relevant person:		
1.1	SBD 1		
1.2	SBD 3.1		
1.3	SBD 4		
1.4	SBD 6.1		
1.5	General Conditions of Contract (GCC), Please accept by initializing on each page		
2.	Compulsory Requirements/Documents		
2.1	Please indicate as to whether the following documents/certificates have been attached?		
2.1.1	Copy of the Company registration documents.		
2.1.2	Certificate/proof of membership of a professional body (Institute of Internal Auditors (IIA), by the bidder. (Please attach certified copy of membership).		
2.1.3	Copy of CSD (central supplier database) registration documents not		

	older than 1 month.		
2.1.4	A Valid Tax Clearance Certificate/SARS pin		
2.1.5	Valid BBBEE Certificate		
2.1.6	Copy of Company profile		
2.1.7	All the SBD forms must be completed and signed.		
2.1.8	Joint Venture/Consortium agreement (each TCC, CSD, Company profile, CIPC document, Certificate/proof of membership of a professional body and Combined valid BBBEE certificate). If applicable		

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:		CLOSING DATE:		CLOSING TIME:	
DESCRIPTION					
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET 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					
		TCS PIN:		OR	CSD No:
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]		☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT ☐ Yes ☐ No	
IF YES, WHO WAS THE CERTIFICATE ISSUED BY?					
AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA) AND NAME THE APPLICABLE IN THE TICK BOX		☐ AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)			
		☐ A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS)			
		☐ A REGISTERED AUDITOR NAME: _____			
[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 PART B:3 BELOW]	
SIGNATURE OF BIDDER				DATE	
CAPACITY UNDER WHICH THIS BID IS SIGNED (Attach proof of authority to sign this bid; e.g. resolution of directors, etc.)					
TOTAL NUMBER OF ITEMS OFFERED				TOTAL BID PRICE (ALL INCLUSIVE)	
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:			
DEPARTMENT/ PUBLIC ENTITY		CONTACT PERSON			
CONTACT PERSON		TELEPHONE NUMBER			
TELEPHONE NUMBER		FACSIMILE NUMBER			
FACSIMILE NUMBER		E-MAIL ADDRESS			
E-MAIL ADDRESS					

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.	BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.
1.4.	WHERE A BIDDER IS NOT REGISTERED ON THE CSD, MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS MAY NOT BE SUBMITTED WITH THE BID DOCUMENTATION. B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.
1.5.	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 LEGISLATION OR 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 TAX COMPLIANCE STATUS (TCS) 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	BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.
2.5	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.
2.6	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 BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? ☐ YES ☐ NO
3.2.	DOES THE BIDDER HAVE A BRANCH IN THE RSA? ☐ YES ☐ NO
3.3.	DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA? ☐ YES ☐ NO
3.4.	DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA? ☐ YES ☐ NO
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO OBTAIN A TAX COMPLIANCE STATUS / TAX COMPLIANCE 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.

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.	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

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 institution	State

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.

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

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.

arrangements made by the bidder with any official of the procuring 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 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.

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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 contract 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)