

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES									
BID NUMBER:	DCDT/05/2026/27	CLOSING DATE:	24 August 2026	CLOSING TIME:	11:00				
DESCRIPTION	APPOINTMENT OF A SERVICE PROVIDER TO CONDUCT A MARKET ANALYSIS STUDY RELATED TO POLICY AND STRATEGIC CHOICES THAT WILL ADDRESS THE HIGH COST OF COMMUNICATIONS IN SOUTH AFRICA FOR A PERIODS OF SIX (6) MONTHS.								
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)									
1166 PARK SREET									
IPARIOLI OFFICE PARK									
HATFIELD, PRETORIA									
BLOCK E, GROUND FLOOR									
COMPULSORY BRIEFING SESSION: 12 August 2026 @11:00 (BLUECRANE BOARDROOM)									
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO					TECHNICAL ENQUIRIES MAY BE DIRECTED TO:				
CONTACT PERSON	MS. R HLAHLA				CONTACT PERSON	MR. A MASHISHI			
TELEPHONE NUMBER	N/A				TELEPHONE NUMBER	N/A			
FACSIMILE NUMBER	N/A				FACSIMILE NUMBER	N/A			
E-MAIL ADDRESS	dcddtenders@dcddt.gov.za				E-MAIL ADDRESS	dcddtenders@dcddt.gov.za			
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		
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]				ARE YOU A FOREIGN-BASED SUPPLIER FOR THE GOODS /SERVICES 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, 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 – 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 DCDT/05/2026/27
Closing Time 11:00	Closing date 24 August 2026

OFFER TO BE VALID FOR...**90**.....DAYS FROM THE CLOSING DATE OF BID.

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

- 1.1 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, 1996 (Constitution), and further expressed in the various applicable legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.
- 1.2 If a person is 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. DECLARATION ON EMPLOYMENT BY ORGAN OF STATE

- 2.1 Is the bidder, or any of the directors / trustees / shareholders / members / partners of the bidder employed by an organ of state, as defined in section 239 of the Constitution? **YES/NO**
- 2.2 If YES, furnish particulars of the names, individual identity numbers, in the table below:

Full Name	Identity Number	Name of organ of 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.

- 2.3 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

- 2.3.1 If so, furnish particulars:

.....

- 2.4 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**

- 2.4.1 If so, indicate all companies registered in the CSD in the table below:

Supplier registration number (MAAA)	Status (active/inactive/deleted)

Failure to disclose all CSD-registered active companies linked to all Directors will lead to disqualification.

3 GENERAL DECLARATION

I, ..., the undersigned, 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 to be false.
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor.
- 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.

- 3.5 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.
- 3.6 There have been no consultations, communications, agreements or 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.
- 3.7 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, 1998 (Act No. 89 of 1998) and or may be referred to law enforcement agencies for criminal investigation and or may be restricted from conducting business with the state for a period not exceeding 10 years in terms of the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004) or any other applicable legislation.

I CERTIFY THAT THE ABOVE IS CORRECT.

I ACCEPT THAT THE PROCURING INSTITUTION MAY REJECT THE BID OR TAKE APPROPRIATE ACTION AGAINST ME IF THIS DECLARATION IS FALSE.

.....
Signature

.....
Date

.....
Designation

.....
Name of bidder

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

- 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 **To be completed by the organ of state**

(delete whichever is not applicable for this tender).

- a) The applicable preference point system for this tender is the **90/10** preference point system.
- b) The applicable preference point system for this tender is the **80/20** preference point system.
- c) Either the **90/10 or 80/20 preference point system** will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

- (a) Price; and
- (b) Specific Goals.

1.4 **To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and SPECIFIC GOALS	100

- 1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

3.1.1 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
$Ps = 80 \left(1 - \frac{Pt - P_{min}}{P_{min}} \right)$	or	$Ps = 90 \left(1 - \frac{Pt - P_{min}}{P_{min}} \right)$

Where

- Ps = Points scored for price of tender under consideration
- Pt = Price of tender under consideration
- Pmin = Price of lowest acceptable tender

3.2. FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

3.2.1. POINTS AWARDED FOR PRICE

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

$$\begin{array}{ccc} \text{80/20} & \text{or} & \text{90/10} \\ P_s = 80 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right) & \text{or} & P_s = 90 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right) \end{array}$$

Where

- P_s = Points scored for price of tender under consideration
 P_t = Price of tender under consideration
 P_{max} = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
 - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,
- then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

Table 1: Specific goals for the tender and points claimed are indicated per the table below.

(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.

Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Organisations which are owned people who are women	N/A	5/20	N/A	
Organisations which are owned by youth, who are less than 35 years old	N/A	3/20	N/A	
Black People (as per the definition in the B-BBEE ACT 53 of 2003	N/A	9/20	N/A	
Organisations which are owned by persons with disabilities	N/A	3/20	N/A	

DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm.....

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium

One-person business/sole propriety

Close corporation

Public Company

Personal Liability Company

(Pty) Limited

Non-Profit Company

State Owned Company

[TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I 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 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering 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 tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted 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, if deemed necessary.

.....
SIGNATURE(S) OF TENDERER(S)

SURNAME AND NAME:

DATE:

ADDRESS:

.....

.....

.....



**APPOINTMENT OF A SERVICE PROVIDER TO CONDUCT
A MARKET ANALYSIS STUDY RELATED TO POLICY AND
STRATEGIC CHOICES THAT WILL ADDRESS THE HIGH
COST OF COMMUNICATIONS IN SOUTH AFRICA FOR A
PERIOD OF 6 MONTHS.**

Tender Number: DCDT/05/2026/27

Compulsory briefing session

Date: 12 August 2026

Time: 11:00am

**Venue: 1166 Park Street, iParioli Office Park, Department of
Communication and Digital Technologies**

Closing date: 24 August 2026

Closing time: 11:00am



1. PURPOSE

- 1.1. The purpose of the Terms of Reference (TOR) is to appoint a service provider to conduct a market analysis study related to policy and strategic choices that will address the high cost of communications in South Africa.

2. BACKGROUND

- 2.1. South Africa has achieved notable progress in lowering mobile data costs in recent years. ¹This achievement emanates from the efforts of the Department (Department of Communications and Digital Technologies) working in collaboration with regulatory agencies in particular the Independent Communications Authority of South Africa (ICASA) and the Competition Commission during and after the proclamation of the Data Services Market Inquiry (DSMI) in 2019. Regardless of those interventions, the cost of data remains high to this very day in 2026, considering the recommendations of the DSMI (2019) report.

- 2.2. Nonetheless, despite progress made in reducing mobile data costs, there are disparities within the current policy framework which have become a significant barrier for many citizens. Thus, limiting their ability to participate equally in the digital economy. Furthermore, it is significant for consumers to have access to affordable smart devices, especially youth and unemployed graduates who utilise these gadgets to navigate online services such as government platforms, digital banking services, educational resources, and job application platforms.

¹ For example, ICASA has undertaken the following interventions to assist with the reduction of the high cost of mobile data in South Africa: allocation of the IMT spectrum to the Telecommunication Operators, reduction of call termination rate (amendment of the Call Termination Regulations, 2024), amendment of Mobile Broadband Services Regulations (2024), amendment of End User and Subscriber Charter Regulations and among others. Competition Commission has entered into settlement agreement with Vodacom and MTN to reduce monthly prepaid data prices by 30% to 50% and among others. According to the Competition Commission's Cost of Living report published in August 2025, states that the mobile data prices has decreased significantly in South Africa following the recommendations of the Commission's Data Services Market Inquiry in 2019.



- 2.3.** As the country is largely categorized by high levels of unevenness and complexity in terms of price of data in South Africa creates a situation where Citizens pay excessive data costs compared to both global and continent standards. Consequently, there is a need for policy interventions in this regard.
- 2.4.** The structural issues such market concentration, spectrum allocation, and the financial burden placed on prepaid consumers require intervention through current policies. Therefore, further reviews to enhance the policy agenda and regulatory interventions are needed to ensure that data costs become fair, transparent, and in line with the objectives of universal access.
- 2.5.** The allocation of spectrum played a significant role in improving development, thus reducing network costs and enhancing market competitiveness. During the COVID-19 pandemic, ICASA released additional radio frequency spectrum providing significant benefits for the sector. This allowed mobile operators to accommodate more traffic efficiently at a lower cost, reducing network congestion and improving capacity among many other benefits. Despite this, the cost of communication remains higher.
- 2.6.** Furthermore, during the pandemic, access for low-income consumers increased through the provision of zero-rated services, especially for educational and public benefit websites. This resulted in the emergence of mobile virtual network operators and smaller businesses. This development increased diversified business opportunities and created a platform for sustained spectrum allocation for long-term affordability and connectivity improvements.
- 2.7.** Even though significant progress has been made, targeted policy instruments are still required to continuously monitor and refine the current policy vacuum, this will ensure that the benefits of lowering data costs are equitably distributed across all South Africans.
- 2.8.** Importantly, the development of the market analysis study will outline policy development requirements and the roadmap which will direct the implementation of the cost to communicate processes, sequencing, and mechanisms. Furthermore, the study will provide strategic direction and guiding principles to ensure that the required modalities are aligned with the roadmap, supporting the goal of lowering data costs.



3. OBJECTIVES OF THE STUDY

- 3.1. Comprehensively identify significant concerns that relate to the affordability of data, voice calls, SMS services and devices for households, small and medium-sized enterprises, and disadvantaged groups.**
- 3.2. Identify and analyses the cost drivers which have an impact on data cost such as infrastructure, spectrum, taxes among others.**
- 3.3. Identify and evaluate consumer behaviour in terms of mobile, data, fixed network usage on services and communications and improve digital inclusion.**
- 3.4. Assess the effectiveness of current interventions undertaken by ICASA aimed at reducing communication costs**
- 3.5. Evaluate the progress made in implementing DSMI recommendations.**
- 3.6. Investigate the feasibility and recommend policy related strategies and actions that are in line with the current digital transformation roadmap (Operation Vulindlela) specifically on reducing the high cost of communications and access to affordable digital services.**
- 3.7. Conduct comparability assessment of South Africa and top ten peer countries in Africa and international sphere in terms of landing cables, international bandwidth capacity, quality of service and pricing mechanism.**
- 3.8. Identify and recommend measures that can reduce the cost of communication services in South Africa without compromising the long-term sustainability, growth, and investment potential of the communication sector.**
- 3.9. Develop a report on Cost to Communicate roadmap demonstrating short, medium and long-term implementation plans.**



4. THE SCOPE OF WORK

- 4.1. Provide a project plan outlining a proposed methodology and the workplan addressing the requirements outlined in the scope of work.
- 4.2. Assessment of the current and future state of cost to communicate in South Africa (i.e. mobile and fixed data, voice calls, short term messages (SMS), devices, the use of Over the Top (OTT) Services and others).
- 4.3. Identify and analyse cost drivers that have an impact on cost to communicate in South Africa.
- 4.4. A report detailing the cost to communicate consumer behaviour in South Africa.
- 4.5. Provide an objective view on the progress related to the implementation of the 2019 DSME recommendations report and ICASA intervention measures.
- 4.6. Provide information of the ICT infrastructure and tax related drivers that impacts the cost to communicate in South Africa.
- 4.7. Comparison analysis explaining South Africa's cost to communicate situation related to the top ten countries in Africa and according to the ITU International Development Index and ITU Price Baskets.
- 4.8. Develop a report on Cost to Communicate roadmap demonstrating short, medium and long-term implementation plan.

5. OUTPUT AND DELIVERABLES

- 5.1. The Service Provider will produce a comprehensive report detailing the policy and strategic choices required to address the high cost of communications in South Africa. The report must include the following:
 - **Cost Drivers Analysis report.** An assessment of the cost drivers impacting the cost to communicate in South Africa, including an analysis of the current and future state of communication costs (such as mobile and fixed



data, voice calls, SMS, devices, and OTT services), as well as consumer behaviour related to communication costs.

- **Evaluation report of the 2019 DSMT recommendations and ICASA Regulatory Interventions.** An evaluation of the implementation of the 2019 DSMT recommendations and ICASA intervention measures.
- **Report on ICT Infrastructure and tax related drivers.** An assessment of the ICT infrastructure and tax related drivers causing the high cost of communications in South Africa.
- **Comparative analysis report** explaining South Africa's cost to communicate informed by ITU IDI and price baskets indices.
- **Report on Cost to Communicate roadmap** demonstrating short, medium and long-term implementation plan.

6. SKILLS AND KNOWLEDGE REQUIRED

Service Providers should comprise a well-qualified and experienced team which meet the following minimum requirements:

Qualifications required	Experience required
Master's in Economics/ Econometrics.	• Pricing analysis, cost modelling, competition assessment, econometric analysis. • Proven experience in developing project plan, including the outlining of tasks, resources allocation, setting timeframes and defining key milestones. • Proven customer knowledge of ICT products and prices such as mobile data, sms, voice calls and devices. • Experience and knowledge in ICT regulation and competition policy.



Qualifications required	Experience required
✚ An Honours Degree in Economics/ Econometrics, or Statistics will be required or higher. ✚ Certificate in Project Management related to Economic and Financial Modelling.	✚ Relevant experience in conducting economic modelling, statistics analysis, cost benefit analysis in the ICT sector. ✚ Proven experience of ICT tariff policy, competition, and harmonisation of price regulation. ✚ Relevant experience in conducting economic modelling, statistics analysis, cost benefit analysis in the ICT sector. ✚ Ability to leverage new technologies tools for the country competitiveness against other peer countries and International Benchmarking of prices. ✚ Pricing analysis, cost modelling, competition assessment, econometric analysis.
✚ Bachelor of Laws Degree (Admitted Attorney) dealing with the ICT Laws and Regulations).	✚ Relevant legal and regulatory experience in the ICT/Telecoms sector. ✚ Evidence of conducting ICT market study especially offering legal guidance. ✚ Experience of projects conducted in the ICT sector. ✚ Understanding of socio-economic issues such as affordability and digital inclusion.

7. MANDATORY REQUIREMENTS

7.1. The Service Provider must be in an existence for more than 10 years in ICT related projects and attach the Entity registration Certificate as per CIPC.

7.2. Provide a minimum of 3 reference letters from different clients demonstrating their involvement in the cost to communicate (affordability of data, voice calls, SMS services and devices).

7.3. The reference letters must include the previous project timelines accompanied by contactable references addressing the following:

7.3.1. The client official letterhead

7.3.1. Signed with the current year in 2026

7.3.2. Clearly stating the start and finish period (month and year).



7.4. Service Provider's team members must demonstrate the following:

7.4.1. Project Leader: A seasoned professional with (10 years' experience in ICT research with a Master's in Economics/ Econometrics.)

- Proven track record in developing project plans, including outlining tasks, resources allocation, setting timeframes and defining key milestones.
- A detailed CV accompanied by certified copies of qualifications must be attached

7.4.2. Economic and Statistical Modelling Expert: An NQF level 8 or higher qualification in Economics/ Econometrics, or Statistics will be required. The CV must demonstrate:

- A person with 5 years' experience in the ICT and telecommunication sectors, with proven expertise in conducting economic analysis, particularly in mobile data, voice calls and SMS pricing, competition matters, and policy regulatory frameworks.
- Proven experience of 5 years in economic modelling, statistical analysis, cost benefit analysis in the ICT sector.
- Proven experience of years in ICT tariff policy, competition and harmonisation of price regulation.
- Demonstrate the ability to leverage new technologies tools for the country competitiveness against other peer countries and International Benchmarking of prices.

7.4.3. ICT Policy, Legal and Regulatory Expert: An NQF level 8 qualification in LLB degree (Admitted Attorney) is required. The CV must demonstrate:

- A person with 5 years' experience in ICT policy, legal and regulatory matters.
- Provide evidence of conducting ICT market studies, especially offering legal analysis and guidance.
- Proven experience of working on projects within the ICT sector, demonstrating practical application of policy, legal, and regulatory expertise.
- Knowledge and understanding of socio-economic issues such as affordability, digital inclusion and access to ICT services.

7.4.4. Pricing Specialist/ Expert: An NQF level 8 or higher qualification in Economics/ Econometrics, or Statistics will be required. The CV must demonstrate:



- A person with a proven customer knowledge of ICT products and prices such as mobile data, SMS, voice calls and devices. A degree in Economics/ Econometrics or Statistics or higher will be required.

NB: Failure to comply by the above-mentioned mandatory requirements will lead to the disqualification of the proposal.

8. SERVICE LEVEL AGREEMENT

8.1. Both parties will sign SBD 7.2 pending the SLA that will indicate the obligations of both parties. The Service level agreement must be agreed upon and signed within 30 working days after the acceptance of this letter. Should the signing of the Service level agreement take longer the SBD 7.2 and company initialling the General conditions of contract (GCC) will serve as the binding contract.

9. CONTRACT PERIOD

9.1. The appointed service provider's contract shall be valid for a period of 6 months as from date of signing the SBD 7.2

10. PAYMENT

10.1. The successful service provider will be paid upon the completion of phases or milestones set out in the project plan or as mutually agreed by the Department and the service provider.

11. INTELLECTUAL PROPERTY RIGHTS

11.1. Department will become the owner of all information, documents, advice and reports collected and compiled by the consultant/firm/service provider in the execution of this agreement.

11.2. The copyright of all documents will vest in the Department and may not be reproduced or distributed or made available without the written consent of the Department.

11.3. All information, documents and reports must be regarded as confidential and may not be made available to any unauthorized person or institution without the written consent of stakeholders.



12. SUB-CONTRACTING

12.1. The Department reserves the right to approve the consultants/sub-contractors offered by the service provider. The replacement of consultants/sub-contractors during the contract period must comply with the requirements of this TORs and be approved by the Department.

13. TIMELINES OF THE BID PROCESS

13.1. The validity period of the bid and the withdrawal of offers, after the closing date and time is 90 days.

14. BID ADMINISTRATIVE DOCUMENTS

14.1. Prospective bidders may submit their bid proposals including the following:

- Bidders are required to submit all completed Standard Bidding Documents (SBD), namely SBD 1, SBD 3.1, SBD 4, SBD 6.1. as well as GCC.
- Copy of valid Tax Clearance Pin issued by SARS.
- Copy of Central Supplier Database (CSD) report
- Entity registration Certificate as per CIPC)
- A project plan that states the methodology and approach for accomplishing the task, project phases if applicable, time frames and outputs including cost for the project.
- Profile of the company and description of similar work undertaken.
- Agreement between service providers in the case of a joint venture/Consortium
- Letter of authority to sign documents on behalf of the company/joint venture/Consortium
- Technical and financial proposals.

15. EVALUATION OF BIDS

Phase 1: Mandatory requirements

Bidders will be evaluated based on mandatory requirements as outlined in this document. Bidders who fail to meet the requirements will be disqualified.



Only bidders that have complied with mandatory requirements will be evaluated in terms of the 80/20 preference point system as prescribed in the Preferential Procurement Policy Framework Act and its associated Regulations

Phase 2: Evaluation in terms of the 80/20 preference point system (Price and specific goals)

- The bid price (maximum 80 points).
- Specific goals status (maximum 20 points).

Specific goals applicable for this bid and number of points

A maximum of 20 points may be allocated to a bidder for attaining their Specific Goals in accordance with the table below:

Specific goals	Number of Points
Organisations which are owned by people who are women	5
Black People (as per the definition in the B-BBEE ACT 53 of 2003)	9
Organisations which are owned by persons with disabilities	3
Youth	3

Specific goals allocation

Specific goals will be allocated to bidders on submission of the following documentation or evidence:

- CSD report or certified copy of Identity Document for Director (s) of the Organisation.
- Proof of disability confirming the nature of the disability (Letter from a General Practitioner) or SARS declaration on disability.

16. SPECIAL CONDITIONS OF THE BID

The following must be included to highlight any issues that the bidder needs to be aware of that was not covered in any other paragraph. This may include matters such as:

- (a) site visit will be carried at the offices/ clients of the bidder prior to award of the bid, if required
- (b) Submission of detailed project plan with clear milestones and timelines
- (c) the department reserves that right to award the bid to one or more service providers.



- (d) bidders must submit detailed pricing schedule with a firm price that will be valid for the entire contract period.
- (e) successful bidders must acquaint themselves with the programmes, policies and legislation at their own cost.

17. COMPULSORY BRIEFING SESSION

- 17.1.** A compulsory briefing session will be held, and potential bidders are encouraged to attend.

Date: 12 August 2026

Time: 11:00am

Venue: 1166 Park Street, iParioli Office Park, Department of Communication and Digital Technologies

NB: Door will be closed at 11:00am, No late bidders will be allowed, and non-attendance of the briefing session will result in disqualification from the bidding process.

NB: All bidders are encouraged to compile a list of questions to be asked during the meeting. All questions will be addressed during the meeting, and No questions will be taken after the meeting.

18. TERMS AND CONDITIONS

18.1. The service provider must preferably be a single legal entity with all other necessary expertise secured via sub-contract, or under a joint venture arrangement. The sub-contracting, or under a joint venture arrangement by service provider must not result in any financial implications for the Department.

18.2. The Department reserves the right to appoint any other person to undertake any part of the task. Should the contract between the Department and the service provider be terminated by either party due to reasons not attributable to the service provider, the service provider will be remunerated for the work performed and completed as agreed.



18.3. The individuals proposed for professional work on the project shall remain on the project unless the Department grants permission to change the resource.

18.4. No material or information derived from the bid submission or the provision of the services under the contract may be used for any purposes other than those of the Department, except where authorized in writing to do so.

18.5. Copyright of all documents and electronic aids, software programmes prepared or developed in terms of this appointment shall vest in the Department.

18.6. Foreign firms providing proposals must become familiar with local conditions and laws and take them into account in preparing their proposals.

18.7. The costs of preparing proposals and of negotiating the contract will not be reimbursed.

18.8. The Department reserves the right to negotiate price with the preferred bidder.

18.9. The service provider and its affiliates are prohibited from providing goods, works and services to any private party to this Agreement, or to any eventual project that may result, directly or indirectly from these services.

18.10. Individuals and firms may not contact the Department on any matter pertaining to their bid from the time when bids are submitted to the time the contract is awarded. Any effort by a bidder to influence bid evaluation, bid comparisons or bid award decisions in any manner, may result in rejection of the bid concerned.

18.11. The Department reserves the right to award or not to award the bid.

18.12. The department reserves that right to award the bid to one or more service providers.



18.13. The Department reserves the right to contact any bidder to seek clarity on any matter included in the bid documents.

18.14. No late bids will be accepted or considered for evaluation.

18.15. The recommended service provider will be subjected to the relevant pre-screening and vetting processes and be required to sign non-disclosure of information requirements.

19. PROPOSAL SUBMISSION REQUIREMENTS

19.1. Service providers are required to submit proposals that include a duly completed cover page and a table of contents, clearly indicating and addressing all mandatory requirements as outlined in the TOR.

19.2. Only one (1) original proposal will be accepted. No copies or memory stick are permitted.

Proposals must be sealed and submitted via the tender box situated at 1166 Park Street, Iparioli Office Park, Hatfield, Pretoria, Block E, Ground Floor

20. CLOSING DATE OF THE SUBMISSION OF BID DOCUMENTS

20.1. The closing date for the submission of the Bid documents or any of its Annexures is before the deadline of 24 August 2026

Approved by Chairperson of DBAC:

Rebolang Soldaat

30/07/2026

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 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.