ILEMBE DISTRICT MUNICIPALITY

KING SHAKA

ILEMBE UMASIPALA WESIFUNDA

BID INVITATION.: TS/266/2026

SUPPLY AND INSTALLATION OF SECURITY FENCE AT KWADUKUZA RESERVOIRS((WARRENTON ,STANGER MANOR AND SHAKAVILLE)

NAME OF BIDDER..... **.....**
This bid closes at 12h00 on Monday, 23 November 2026 at the offices of iLembe District Municipality located at 12 Haysom Road, KwaDukuza **NO LATE SUBMISSION WILL CONSIDERED**

ILEMBE DISTRICT MUNICIPALITY
CONTRACT No. TS/266/2025
SUPPLY AND INSTALLATION OF SECURITY FENCE AT KWADUKUZA RESERVOIRS (WARRENTON, STANGER MANOR AND SHAKAVILLE)

iLembe District Municipality invites Established Contractors to bid for the Supply and Installation of Security Fence at KwaDukuza reservoirs (Warrenton, Stanger Manor and Shakaville) in KwaDukuza.

Only bidders who are registered with CIDB in a contractor registration equal to or higher than 3SQ are eligible to bid. Bidders who fail to provide the relevant CIDB information called for in the paragraph above prior to the bid evaluation shall be disqualified for further consideration.

Bid documents may be downloaded from the National Treasury e-Tender Publication Portal (www.etenders.gov.za) and the iLembe District Municipality website (www.ilembe.gov.za) from 22 October 2026. The Municipality will not provide hard-copy bid documents. Bidders are responsible for ensuring that all pages of the downloaded document are complete and included in their bid submission. Bid documents will not be available at the compulsory briefing/site inspection meeting.

A **COMPULSORY** briefing meeting will be held at **10H00 on Friday, 30 October 2026**. Prospective Bidders shall meet at iLembe Auditorium, 12 Haysom Road (KwaDukuza). Prospective bidders are required to bring their copies of the bid specification documents to the briefing meeting for signing.

All technical bid enquiries are to be directed to Mr. E Bhengu, on 032 551 8761, and for SCM enquiries contact Mr. Ngcebo Xulu on 032 551 8703, or email elias.bhengu@ilembe.gov.za or ngcebo.xulu@ilembe.gov.za

Failure to obtain a Bid Specification Document and non-attendance of the briefing meeting will result in the immediate disqualification of your bid. Bids may only be submitted on the bid specification documentation provided by the Municipality.

All Bidders must supply a Valid SARS PIN confirming that the Bidders Tax matters are in order and/or must give authority to iLembe District Municipality to obtain information from SARS regarding their Tax matters. Any bid that does not comply with the advert will be immediately disqualified and will not be considered. Sealed bids endorsed "**Invitation to Bid No. TS/266/2026: Supply and Installation of Security Fence at KwaDukuza reservoirs (Warrenton, Stanger Manor and Shakaville)** must be submitted into the Bid Box situated at the **Ground Floor of ILEMBE TECHNICAL SERVICES BUILDING, 12 Haysom Road, KWA DUKUZA** by no later than **12 Mid-Day on Monday, 23 November 2026** where they will be opened in public.
The name and address of the bidder must be clearly written on the envelope containing the bid. Bids shall be valid for a period of 120 days from the closing date.

Bids will be evaluated and adjudicated in terms of iLembe District Municipality's Supply Chain Management Policy in two stages. First stage of evaluation is functionality and the second stage being the 80/20 preference point scoring system. Only bidders who score the required

minimum threshold on functionality criteria will qualify for the second stage of evaluation. This bid will further be evaluated in terms of the Preferential Procurement Regulations, 2022 pertaining to the PPPFA (No. 5 of 2000)

The Functionality Evaluation Criteria will be conducted in terms of the following: -

Functionality Criteria	**Maximum Points**
Reputation in The Industry	40 Points
Personnel	20 Points
Maximum Points = 45	Minimum Threshold= 45 Points (60* 75%)

Ilembe District Municipality does not bind itself to accept the lowest or any of the bids and reserves the right to accept the whole or part of the bid.

MS C MBOLA
ACTING MUNICIPAL MANAGER

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1. PURPOSE

The purpose is to invite bids from experienced contractors for the Supply and Installation of Security Fence at KwaDukuza reservoirs (Warrenton, Stanger Manor and Shakaville) in KwaDukuza.

2. BACKGROUND AND DESCRIPTION

The project is aimed at improving safety and security to municipal infrastructure which is one of the key points in terms of the core function of Ilembe District municipality. KwaDukuza reservoirs (Stanger manor , Warrenton and Shakaville) reservoirs are located in ward 17 of KwaDukuza local municipality and they are they are crucial in ensuring water supply for the entire Ward 16 ,17 and 18.The areas are prone to vandalism and theft hence they requirement for straightening of security..

3. SCOPE OF PROJECT

The scope of work involves the following: -

- Clear and grub, removing rubbish, debris, vegetation, hedges, shrubs and trees not exceeding 200mm girth, bush etc.
- Take down and dispose off-site all the existing concrete palisade fence within the Warrenton ,Stanger Manor reservoir and Shakaville Reservoir premises.
- Excavation and preparation for posts installation
- All concrete works for required foundation and base
- Supply and Installation of approximately 390m (perimeter) of Clear View steel fencing and gate as per specification for the main Warrenton reservoir sites.
- Supply and Installation of approximately 300m (perimeter) of Clear View steel fencing and gate as per specification for the main Stanger Manor reservoir sites.
- Supply and Installation of approximately 300m (perimeter) of Clear View steel fencing and gate as per specification for the main Shakaville reservoirs sites.
- Supply and install razor wire on top around the Clear view fence panels on all 3 sites
- commission, clean and rehabilitate site.
- Appointment of a Community Liaison Officer from within the project ward.

4. TECHNICAL SPECIFICATION

- The Clear View type fence to be supplied and installed

4.1 FENCE POSTS

- Post shall be 3m long Taper Locking Post.
- Post width shall be 85mm - tapering to 45mm with depth of 85mm.
- Post shall include 'Locking Recess Mechanism' to secure panel edge.
- Post shall be sealed with a UV stabilized polymer cap.
- Post finish shall be galvanized, then Marine Fusion Bond coated.

4.2 PANEL

- Panel shall be of 3,305m width and 2.4m in height.
- Panel aperture size centres) shall be 76.2mm x 12.7mm. Wire diameter will be 3mm.
- The panel shall be reinforced with 4 x 50mm deep 'V' formation horizontal recessed bands (rigidity)
- Panel shall have 2 x 70° flanges along sides (internal fixtures- all fixtures shall be on the inside of fence line) Panel shall have 1 x 90° flange along top and 1 x 30° flange along toe (integrated rigid angle)
- Panel post shall have a flush panel post finish with no climbing aid.
- Panel shall be affixed to post over 48-line wires using 8 x double bolt comb clamps and 8 x Single bolt comb clamps using 24 x Anti vandal bolts.
- Panel and fixtures shall be galvanized, then Marine Fusion Bond coated.
- Panel Post connection minimum break force.

5. TOLERANCES, ERRORS, OMMISSIONS AND CONTRADICTIONS

- The tolerances shall be in accordance with those specified by the SABS or similar approval
- In the event that any errors, omissions and contradictions are present in this Bid Document, these shall be overridden by the SABS specification.

6. CONDITIONS OF BID

- Bidders must provide a fixed all-inclusive unit price per item.
- Bidders shall hold themselves open to negotiation should the enquiry reveal a marked variability of prices.
- Telegraphic, telex or faxed bids will not be accepted.

7. CONDITIONS OF AWARD

- It is the responsibility of successful suppliers to insure the goods up to the point of delivery and complete installation.
- Successful bidders should have the capacity to deliver within four (4) weeks from receipt of an official order/appointment letter.

- Successful bidders shall enter into a Service Level Agreement (SLA) with the iLembe District Municipality (IDM) which will regulate the management of the contract.
- Successful bidder must provide all insurances for material and equipment in the project while on site until the official project handover.
- The Contractor shall be responsible for adequately protecting his work during installation and shall provide a suitable protective covering to be removed when so directed by the Main Contractor.
- Quantities contained in the Bill of Quantities are only indicative of the actual final quantities required and shall not be used for ordering purposes.
- The descriptions contained in these Bills of Quantities are intended as a means of identifying the various facets of the work. Bidders shall allow for all costs in connection with the various items taking full cognizance of schedule of finishes and the Bills of Quantities descriptions.
- Final measurement shall be made from measurements taken on site.

8. PROGRAMME REQUIREMENTS

- Bidders are advised to discuss their programme with the suppliers and the municipality to ensure that no delays occur.
- Bidders will be required to have sufficient teams on site, at all times, as to ensure that the programme dates are met. Bidders are to allow for this in their tenders as no claim for additional teams or workmen will be entertained at a later stage.

9. EXTENSION OF SCOPE OF WORKS

The items set out in the bill of quantities comprise a part of the total requirements only.
The client reserves the right to negotiate extensions to the current scope of work with the successful tenderer under this contract when necessary.

10. MEASUREMENTS

These Bills of Quantities are provisional and are only indicative of the actual final quantities required and should not be used for ordering purposes.

11. PROTECTION

The tenderer will be required to protect his work during the course of construction. Such protection shall only be removed on completion of the project and formal handover to the client.

12. DESCRIPTIONS

The description and dimensions of the items are intended as a means of identifying the items only and are not intended as full descriptions. The Tenderer shall allow for all costs in his rates to satisfy the above requirements as no extras shall be entertained due to the tenderer failure to do so.

13. SITE VISIT

The bidders will be deemed to have satisfied themselves during site visit to ascertain site conditions and the scope of works prior pricing.

14. SITE REPRESENTATIVE

Bidders are to allow for a full time site representative and include on costing.

15. SITE MEASUREMENTS

Measurements are to be taken on site prior to the manufacture of any items

16. BREACH AND CANCELLATION

Should the supplier breach any of the terms of the agreement and remain in such breach seven days after receipt of written notice from the iLembe DM to rectify such breach, the IDM may at its discretion: -

a) Cancel the contract with immediate effect if the service provider is not abiding to the specifications outlined herein, upon receipt of inspections reports.

b) Cancel this agreement without prejudice to any of its other rights including its rights to claim damages, or

c) Claim for specific non-performance damages

d) Without prejudice to any of its rights set above, engage a third party to perform the services that the contractor is in default of performing and deduct from the contract price the full cost of having the service performed by such third party.

e) Should the service provider be prevented from performing his obligations by any form of industrial action on the part of his labour force, then the bidder shall be obliged to do all things possible to resolve such dispute in terms of good labour relations practices. Such industrial action shall in no way relieve the bidder of his obligation in terms of this agreement.

f) For the purpose of this agreement the words "Industrial Action" shall, without detracting from the generality thereof, include strikes, go slows, sit-ins, protests and any other form of action by the labour force or the union that is directed at the bidder as the employer and which disrupts the performance of this agreement.

g) Any clause in this specification may be amended by mutual agreement in writing between the Municipality and the bidder.

17. CONDITIONS FOR COMMUNICATION WITH ILEMBE DISTRICT MUNICIPALITY

a) The Service Provider is expected to indicate his/her telephone numbers, cellular or any other means of communication

b) The successful bidder is expected to communicate with the IDM at least fortnightly about progress on the delivery.

c) Any anomaly/difficulties shall be resolved in consultation with the Project manager before any action is taken to rectify the error.

d) Any changes of contact details must be communicated in writing to the IDM.

18. EVALUATION CRITERIA

Bids will be evaluated and adjudicated in terms of iLembe District Municipality's Supply Chain Management Policy in two stages. First stage of evaluation is functionality and the second stage being the 80/20 preference point scoring system. Only bidders who score the required minimum threshold on functionality criteria will qualify for the second stage of evaluation. This bid will further be evaluated in terms of the Preferential Procurement Regulations, 2022 pertaining to the PPPFA (No. 5 of 2000), using the 80/20 preference point scoring system.

18.1 Functionality

Functionality Criteria	Sub-Criteria	Max Points
1) Reputation In The Industry	a) Bidders shall provide proof of similar projects rendered and values, by providing letters of reference from different clients. i) Above 5 positive appointment letters together with the references letters **20** ii) 3 - 5 positive appointment letters together with the references letters **15** iii) 1 - 2 positive appointment letters together with the references letter **5** iv) 0 positive appointment letters together with the reference letter **0**	**Max 20**
	b) i) R3 000 001 and Above **20 points** ii) R2 000 0001 to R3 000 000 **15 points** iii) R1 500 001 to R2 000 000 **10 points** iv) 1 000 000 to 1 500 000 **5 points** v) Less than 1 000 000 **0 points**	**Max 20**
2) Personnel	**Project Manager** i) Project/Contracts Manager with above 5 years relevant experience **20 points** ii) Project/Contracts Manager with 4 -5 years relevant experience **15 points** iii) Project/Contracts Manager with 2 – 3 years relevant experience **10 point** iv) Project/Contracts Manager with Less than 2 relevant years **0 points**	**Max 20 points**
	TOTAL POINTS	**60**

Only bidders who score a minimum score of 45 points (75%) shall be considered for further evaluation. Bidders who fail to score a minimum score of 45 points shall be disqualified and will not be considered for further evaluation as indicated below.

19. PRICE AND PREFERENCE POINTS

In terms of the Municipality's SCM Policy, preference points must be awarded for specific goals stated in the tender data. The onus is on the Tenderer to submit the correct verification/source documentation to claim points for specific goals shown in the tables below.

a) For the 80/20 preference point system, points will be allocated for specific goals as shown in the table below: -

Specific Goal	Points Allocated (80/20 preference points system)	Verification/Source Documentation
Youth ownership (Minimum 5%)	4	CSD Report, certified copies of IDs of directors, company registration documents, shareholder certificates;
Location of business within iLembe District	4	CSD Report, utilities statement, proof of residence, affidavit, lease agreement
Women ownership (Minimum 25%)	6	CSD Report, certified copies of IDs of directors, company registration documents, shareholder certificates;
Black ownership (Minimum 51%)	6	CSD Report, certified copies of IDs of directors, company registration documents, shareholder certificates;
Total	**20**	**80/20 Preference point system**

Bids are required to be valid for a period of 120 days after the closing date.

BILL OF QUANTITIES

WARRENTON, STANGER MANOR AND SHAKAVILLE SECURITY FENCE						
ITEM	DESCRIPTION	UNIT	QTY	RATE	QUANTITY	TOTAL AMOUNT
1	**PRELIMINARIES AND GENERAL**					
1,1	Site Establishment	Sum	1			
1,2	Community Liaison Officer (CLO) costs	P. Sum	1			
2	**SITE CLEARANCE**					
2,1	**Warrenton reservoir**					
	Allow for clearing of site for the width of 2m including grubbing, removing rubbish, debris, vegetation, hedges, shrubs and trees not exceeding 200mm girth, bush etc.	m	390			
2,2	**Stanger Manor reservoir**					
	Allow for clearing of site for the width of 2m including grubbing, removing rubbish, debris, vegetation, hedges, shrubs and trees not exceeding 200mm girth, bush etc.	m	300			
2,3	**Shakaville reservoir**					
	Allow for clearing of site for the width of 2m including grubbing, removing rubbish, debris, vegetation, hedges, shrubs and trees not exceeding 200mm girth, bush etc.	m	300			
3	**REMOVAL OF THE EXISTING FENCE – Warrenton reservoir**					
3,1	Take down the existing 390m concrete palisade fence including 1 gate and ensure safe off-site disposal.	Sum	1			
	REMOVAL OF THE EXISTING FENCE - Stanger Manor reservoir					
3,2	Take down the existing 300m					

	concrete palisade fence including 1 gate and ensure safe off-site disposal.					
	REMOVAL OF THE EXISTING FENCE – Shakaville reservoir					
3,3	Take down the existing 300m concrete palisade fence including 1 gate and ensure safe off-site disposal.					
4	**SUPPLY AND INSTALLATION OF CLEAR VIEW FENCE**					
4,1	**Warrenton reservoir**					
	390m of 2.4m high Clear View high density anti-climbing and anti-cut pressed mesh panel (Galvanized then marine fusion coated) fencing complete with all panels, locking posts, clamps and bolts	m	390			
4,2	**Stanger Manor reservoir**					
	300m of 2.4m high Clear View high density anti-climbing and anti-cut pressed mesh panel (Galvanized then marine fusion coated) fencing complete with all panels, locking posts, clamps and bolts	m	300			
4,3	**Shakaville reservoir**					
	300m of 2.4m high Clear View high density anti-climbing and anti-cut pressed mesh panel (Galvanized then marine fusion coated) fencing complete with all panels, locking posts, clamps and bolts	m	300			
4,3	**Clear View Gates (5 metersX2.4M height)**	**No**	**3**			
4.3.1	**Warrenton reservoir**					
	Supply and install 6m x 2.4m sliding gate, Galvanized, then Marine Fusion coated (Acid modified), complete with all necessary stainless-steel screws and washers. (position as per existing gate on site) and locking device with rails	No	1			
4.3.2	**Stanger Manor reservoir**	No	1			
	Supply and install 6m x 2.4m sliding gate, Galvanized, then Marine Fusion coated (Acid					

	modified), complete with all necessary stainless-steel screws and washers. (position as per existing gate on site) and locking device with rails					
		No	1			
4.3.3	**Shakaville reservoir**					
	Supply and install 6m x 2.4m sliding gate, Galvanized, then Marine Fusion coated (Acid modified), complete with all necessary stainless-steel screws and washers. (position as per existing gate on site) and locking device with rails					
5,0	**Razor Wire**					
5,1	Razor wire on top of fence panels around Warrenton reservoir including gate	m	390			
5,2	Razor wire on top of fence panels around Stanger Manor reservoir including gate	m	300			
5,3	Razor wire on top of fence panels around Stanger Manor reservoir including gate		300			
6,0	**CONCRETE WORKS**					
6,1	Allow for 20 Mpa/19mm concrete for all pole foundations required for offered Clear View fence product.	Sum	1			
7,0	Transportation to site	Sum	1			
8,0	Heavy Duty Anti-vandalism Padlocks size 90mm	No	3			
9,0	Site rehabilitation on completion	Sum	1			
				SUB TOTAL 1		
				ADD CONTINGENCIES (10%)		
				SUB TOTAL 2		
				ADD VAT (15%)		
				TENDER SUM		

NOTICE OF COMPULSORY BRIEFING / CLARIFICATION MEETING

A Compulsory Clarification / Briefing Meeting will be held on **Friday, 30 October 2026** at **Auditorium at 10h00**

CERTIFICATE OF ATTENDANCE OF COMPULSORY CLARIFICATION MEETING

It is hereby certified that I have attended the Compulsory Clarification Meeting and have satisfied myself of the conditions and circumstances which may influence the scope of the project and the cost thereof.

(Please print clearly)

NAME OF REPRESENTATIVE:.....

ON BEHALF OF THE BIDDER:.....

ADDRESS:.....

.....CODE:.....

TELEPHONE NUMBER:.....

SIGNATURE (BIDDER):.....

ILEMBE DISTRICT MUNICIPALITY'S REPRESENTATIVE

SIGNATURE:.....

SURNAME AND INITIALS:.....

MBD 4

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state[1].

2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their positioning relation to the evaluating/adjudicating authority.

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

3.1 Full Name of bidder or his or her representative:.....

3.2 Identity Number: .....

3.3 Position occupied in the Company (director, trustee, hareholder[2]):.....

3.4 Company Registration Number: .....

3.5Tax Reference Number:.....

3.6VAT Registration Number: .....

3.7 The names of all directors / trustees / shareholders members, their individual identity numbers and state employee numbers must be indicated in paragraph 4 below.

3.8Are you presently in the service of the state? **YES / NO**

3.8.1 If yes, furnish particulars.....

.....

[1]MSCM Regulations: "in the service of the state" means to be –

(a) a member of –
  (i) any municipal council;
  (ii) any provincial legislature; or
  (iii) the national Assembly or the national Council of provinces;

(b) a member of the board of directors of any municipal entity;
(c) an official of any municipality or municipal entity;
(d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
(e) a member of the accounting authority of any national or provincial public entity; or (f) an employee of Parliament or a provincial legislature.

[2] Shareholder" means a person who owns shares in the company and is actively involved in the management of the company or business and exercises control over the company.

3.9 Have you been in the service of the state for the past twelve months? ..... **YES / NO**

3.9.1Ifyes, furnish particulars.....

.....

3.10Do you have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid?.....**YES / NO**

3. 10.1Ifyes, furnish particulars.

.....

.....

3.11Are you, aware of any relationship (family, friend, other) between any other bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

3.11.1If yes, furnish particulars

.....

.....

3.12Are any of the company's directors, trustees, managers, principle shareholders or stakeholders in service of the state? **YES / NO**

3.12.1 If yes, furnish particulars.

.....

.....

3.13 Are any spouse, child or parent of the company's directors trustees,managers,principle shareholders or stakeholders in service of the state? **YES / NO**

3.13.1If yes, furnish particulars.

.....

.....

3.14 Do you or any of the directors, trustees, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or Business whether or not they are bidding for this contract. **YES / NO**

3.14.1 If yes, furnish particulars:

.....

.....

4. Full details of directors / trustees / members / shareholders

Full Name	Identity Number	State Employee Number

5. **Declaration**

I, THE UNDERSIGNED (NAME).....
CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 3.1 TO 4, ABOVE IS CORRECT.
I ACCEPT THAT THE STATE MAY ACT AGAINST ME IN TERMS OF PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION PROVE TO BE FALSE.

....
Signature **Date**

....
Capacity **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

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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

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 80/20 preference point system.

b) The 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 PREFERENCE POINT SYSTEMS

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

80/20

$$Ps = 80\left(1 - \frac{Pt - Pmin}{Pmin}\right)$$

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 points is allocated for price on the following basis:

80/20

$$Ps=80\left(1+\frac{Pt-Pmax}{Pmax}\right) \text{ or}$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmax = 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

Note to tenderers: The tenderer must indicate how they claim points for each preference point system below as per 80/20 preference point system.)

Specific Goal	Points Allocated (80/20 preference points system)	Verification/Source Documentation	20 points Allocation
Youth ownership (Minimum 5%)	4	CSD Report, certified copies of IDs of directors, company registration documents, shareholder certificates;	
Location of business within iLembe District Municipality	4	CSD Report, utilities statement, proof of residence, affidavit, lease agreement	
Women ownership (Minimum 25%)	6	CSD Report, utilities statement, proof of residence, affidavit, lease agreement	
Black ownership (Minimum 51%)	6	CSD Report, certified copies of IDs of directors, company registration documents, shareholder certificates;	
Total	**20**		

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 favorable 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: .....

.....

.....

.....

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

1 This Municipal Bidding Document must form part of all bids invited.

2 It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.

3 The bid of any bidder may be rejected if that bidder, or any of its directors have:

a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
b. been convicted for fraud or corruption during the past five years;
c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).

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

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the *audi alteram partem* rule was applied). **The Database of Restricted Suppliers now resides on the National Treasury's website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.**	Yes ☐	No ☐
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? **The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.**	Yes ☐	No ☐
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes ☐	No ☐

4.3.1	If so, furnish particulars:		
Item	**Question**	**Yes**	**No**
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes ☐	No ☐
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes ☐	No ☐
4.5.1	If so, furnish particulars:		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME) ……..……..…… CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM TRUE AND CORRECT.

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

…….. **Signature**

…….. **Date**

…….. **Position**

…….. **Name of Bidder**

Js367bW

CERTIFICATE OF INDEPENDENT BID DETERMINATION

1 This Municipal Bidding Document (MBD) must form part of all bids[1] invited.

2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).[2] Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.

3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:

a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.

b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.

4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.

5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

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

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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

_____

(Bid Number and Description)

in response to the invitation for the bid made by:

_____

___

(Name of Institution)

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

I certify, on behalf

of:_____that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:

    (a) has been requested to submit a bid in response to this bid invitation;
    (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
    (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

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

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

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

.....	.....
Signature	Date
.....	.....
Position	Name of Bidder

THE NATIONAL TREASURY

Republic of South Africa



GOVERNMENT PROCUREMENT:

GENERAL CONDITIONS OF CONTRACT

July 2010

THE NATIONAL TREASURY
Republic of South Africa

GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT

THE NATIONAL TREASURY: REPUBLIC OF SOUTH AFRICA

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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 goods 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 goods 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 "Supplier" means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.
1.26 "Tort" means in breach of contract.

1.27 "Turnkey" means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.

1.28 "Written" or "in writing" means hand-written 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 (excluding professional services related to the building and construction industry), 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 goods, 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 nonrefundable fee for documents may be charged.

3.2 Invitations to bid are usually published in locally distributed news media and on the municipality/municipal entity website.

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.

6.2 When a supplier developed documentation / projects for the municipality / municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality / municipal entity.

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.

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 goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.

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 goods 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 goods or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

8.6 Goods 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 goods may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected goods 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 goods, which do comply with the requirements of the contract. Failing such removal the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods 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 22 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 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, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

10.1 Delivery of the goods and arrangements for shipping and clearance obligations, shall be made by the supplier in accordance with the terms specified in the contract.

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.

12.Transportation

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

13. Incidental Services

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

(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, 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.

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 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, 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.
16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilment 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.

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 or in the purchaser's request for bid validity extension, as the case may be.

18. Variation orders

18.1 In cases where the estimated value of the envisaged changes in purchase does not vary more than 15% of the total value of the original contract, the contractor may be instructed to deliver the goods or render the services as such. In cases of measurable quantities, the contractor may be approached to reduce the unit price, and such offers may be accepted provided that there is no escalation in price.

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 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 goods are required, or the supplier's services are not readily available.

21.4 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 22.2 without the application of penalties.

21.5 Upon any delay beyond the delivery period in the case of a goods contract, the purchaser shall, without cancelling the contract, be entitled to purchase goods 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 judgement 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 supplier as having no objection and proceed with the restriction.

23.5 . Any restriction imposed on any person by the purchaser will, at the discretion of the purchaser, 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 purchaser 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. Antidumping 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 supplier to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the supplier in regard to goods 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 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 for goods delivered and / or services rendered according to the prescripts of the contract.

28. Limitation of Liability

28.1 Except in cases of criminal negligence or wilful 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.

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 SARS must have certified that the tax matters of the preferred bidder are in order.

32.4 No contract shall be concluded with any bidder whose municipal rates and taxes and municipal services charges are in arrears.

33. Transfer of contracts

33.1 The contractor shall not abandon, transfer, cede assign or sublet a contract or part thereof without the written permission of the purchaser

34. Amendment of contracts

34.1 No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing, shall also be in writing.

35. Prohibition of restrictive practices

35.1 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.

35.2 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 section 59 of the Competition Act No 89 0f 1998.

35.3 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.

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