



INKOMATI-USUTHU CATCHMENT MANAGEMENT AGENCY REQUEST FOR QUOTATION (RFQ)

RFQ REFERENCE	RFQ036/MAV/2026
RFQ DESCRIPTION	RE: APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION, INSTALLATION, CONFIGURATION AND SUPPORT OF DIGITAL SIGNATURE APPLICATION FOR A TERM OF 36 MONTHS.
RFQ ISSUE DATE	19 MARCH 2026
COMPULSORY BRIEFING SESSION	N/A
CLOSING DATE & TIME	23 MARCH 2026 @ 12:30 PM
LOCATION OF SUBMISSIONS	mavunac@iucma.co.za : HAND DELIVERY: IUCMA, 2 ND FLOOR, ABSA SQUARE BUILDING, 20 PAUL KRUGER STREET, MBOMBELA, 1200

LATE AND INCOMPLETE SUBMISSIONS WILL INVALIDATE THE QUOTE SUBMITTED.

Supplier's Name: _____

CSD Number: MAAA _____

Physical Address: _____

Bid Price: _____

Email Address: _____

Contact Person: _____

Contact Number: _____

Signature of Bidder: _____

SPECIFICATION

TERMS OF REFERENCE FOR THE APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION, INSTALLATION, CONFIGURATION AND SUPPORT OF DIGITAL SIGNATURE APPLICATION FOR A TERM OF 36 MONTHS.

NOTE:

1. Quotation must be on the **company letterhead** and made out to Supply Chain Management of the IUCMA, clearly indicating a **“Quotation Number and CSD Registration Number”**.
2. All prices must be quoted in South African Rand on a fixed price basis, inclusive of VAT.
3. Quotation must be clearly dated and valid for at least **60 days**.
4. If you are a VAT vendor, the VAT number must be indicated on the quotation.
5. Should your company not receive any response from IUCMA within 10 days of closing on the RFQ, Please accept that your quotation was unsuccessful.
6. Submissions should include CSD as well as the BBBEE certificate.
7. **Standard Bidding Documents 4 and 6.1** should accompany the quotation.
8. No contract shall be concluded with any bidder whose tax matters are not in order.
9. ***Please note that no quotations received after the closing time will be considered.***

CONDITIONS TO BE OBSERVED WHEN BIDDING

- a) Quotations for the supply of goods or services described in this document are invited in accordance with the provision of Government Procurement: General Conditions of Contract available for download from <http://www.treasury.gov.za/divisions/ocpo/sc/GeneralConditions/>
- b) IUCMA does not bind itself to accept the lowest or any RFQ, nor shall it be responsible for or pay any expenses or losses which may be incurred by the bidder in the preparation and delivery of the RFQ.
- c) No RFQ shall be deemed to have been accepted unless and until a purchase order/letter of appointment is prepared and executed.

1 PURPOSE

The Inkomati-Usuthu Catchment Management Agency (IUCMA) is a water resources management institution established by the National Water Act 36 of 1998. To adequately execute its constitutional mandate, the IUCMA must ensure the integrity of its enterprise architecture framework and information management.

2 BACKGROUND

The Inkomati-Usuthu Catchment Management Agency (IUCMA) is a water resource management institution established under Section 78 of the National Water Act (Act 36 of 1998, NWA) having jurisdiction over the Inkomati-Usuthu Water Management Area (WMA). One of the inherent functions of a Catchment Management Agency (CMA) (s80) NWA is to investigate and advise interested persons on water resource protection, use, conservation, and management. The Agency has one hundred and forty-four (144) positions on the structure and a staff complement of 115 with three (3) departments and fourteen (14) divisions. There are four programmes, namely Administration and Governance, Water Resources Management, Corporate Services, and Finance. The Information Technology Division reports to the Executive: Corporate Services. Below is the abridged version of the IUCMA structure.

NAME OF DIVISIONS		NUMBER OF USERS
1.	CEO.	9
2.	Institution & Participation.	10
3.	Resource Quality Monitoring.	13
4.	Water use Authorization	11
5.	Resource Planning & Operation	9
6.	Compliance Monitoring and Enforcement.	10
7.	Data Information Management.	12
8.	Communication and Marketing.	5
9.	Records & Auxiliary.	11
10.	Finance.	4
11.	Revenue.	7
12.	Supply Chain Management.	5
13.	Human Resource Management.	5
14.	Information Technology.	5
	TOTAL	115

3 PURPOSE AND OBJECTIVES OF THE PROJECT

The main purpose and objective of this project is to appoint an experienced service provider for the provision, installation, configuration and support of a digital signature application for a term of 36 months.

4 SCOPE OF WORK

IUCMA is seeking a proposal for the deployment of digital signature application for its environment. We require a comprehensive solution to automate manual processes by digitizing process into workflow approvals. The application must be able to perform audit trails by retaining logs, user access control, data integrity, confidentiality, storage scalability, embedding authentic digital signature, time, alerts, integration with emails, SharePoint online and collocation.

The selected vendor will provide a quotation for a digital signature solution that includes licensing, implementation, configuration, and support for the following deliverables:

4.1.1 Deliverables

DELIVERABLE		AUGMENTATION
1.	Install, Configure and Setup 40 Licenses.	Provide support for 40 Licenses.
2.	Application must be off premises.	Online Hosting.
3.	User Access Control.	Audit Trail logs, Data Integrity, Confidentiality.
4.	Storage.	4TB per user
5.	Scalability.	<ul style="list-style-type: none">• Must be scalable.• Provide Archive facilities.
6.	Integration with legacy system.	E-mail, SharePoint Online and other legacy systems.
7.	Forms design.	Application must have form design capabilities.
8.	Digital Signature design.	Enable user to design personal signature. Integrate time and geographical location.
9.	Workflow Capabilities	Be able to send alerts to recipients.
10.	Train users	Provide training on users.
11.	Business Day Support.	Post-implementation support 24/7 365 days with Help Desk facility.

5 Project Period

The project must be implemented in two (2) months from the date of appointment.

6 OWNERSHIP AND INTELLECTUAL PROPERTY

All products resulting from this project will remain the property of the IUCMA.

7 EVALUATION CRITERIA.

7.1 Administrative prequalification criteria (Phase 1)

- Bidder must submit Proof of registration on CSD (Central Supplier Database).
- Bidder must submit fully completed and signed bidding documents:
 - ✓ **SBD 4 Bidder's Disclosure**
 - ✓ **SBD 6.1 Preference Points Claim Form**
 - ✓ **General Condition of Contract (GCC) must be initialed against all pages of GCC and initial all pages of this RFQ document and submit a formal quotation on company letterhead.**
- Bidder must provide a valid **BBBEE Certificate (EME or QSE or Generic), accredited by SANAS only) or BBBEE Certificate issued by CIPC, or a valid Sworn Affidavit on the DTI-issued template.**

7.2 Functionality Evaluation Criteria

The evaluation of bidders of functionality will be done in terms of the evaluation criteria, as indicated in Table 1 below. Only bids that meet the minimum threshold of 70 out of 100 points for functionality will proceed to the next stage. The evaluation of functionality will be evaluated in accordance with the functionality criteria below and applicable values.

Qualification criteria	Description	Points
Company Experience	<p>The company has positive references from companies/ organisations (clients) with which it has implemented a digital signature application.</p> <ul style="list-style-type: none">• Four (4) or more relevant references – 60 points.• Three (3) positive contactable references – 45 points.• Two (2) positive contactable references – 30 points.• One (1) positive contactable reference – 15 points.	60

	<ul style="list-style-type: none"> No contactable reference – 0 points. Proof: Contactable references on client letterhead.	
Project Manager Experience	The project manager demonstrates that they are knowledgeable about digital signature solutions: <ul style="list-style-type: none"> 7 or more years’ experience – 40 points. 5 to 6 years of experience – 25 points. Less than 5 years of experience – 10 points. Proof: The Curriculum Vitae (CV) of the Project Manager indicating the years of relevant experience in proving backup solutions to be attached. No attachment will score zero.	40
TOTAL SCORE		100

8 Price and specific goals criteria

Bids will be evaluated in terms of the prevailing Supply Chain Management policy applicable to IUCMA and it should be noted that bids will be assessed using the 80/20 formula (preference points system) for price and specific goals as per the PPPFA and IUCMA Preferential Procurement Policy.

PREFERENCE POINT SYSTEM	POINTS
Price $P_s = 80 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)$	80
Specific Goals (refer to requirements below)	20
Total points for Price and Specific Goals	100

Where,

P_s = Points scored for comparative price of bid under consideration

P_t = Comparative price of bid under consideration

P_{min} = Comparative price of lowest acceptable bid

The 20 specific goals points will be distributed as follows:

#	Preference/Specific Goals	Max Points	Evidence to be submitted
	Enterprises owned (ownership) by the below-designated groups:		Emerging Micro Enterprise (EME) and Qualifying Small Enterprise (QSE) – sworn affidavit (DTI or CIPC Template), Generic entities – B-BBEE certificate (SANAS accredited) and CSD report.
1	Black people (51% or more)	10	
2	women (30% or more)	5	
3	youth or disabilities (25% or more)	3	
4	B-BBEE Status level contributors from levels 1 to 2 contributors which are EME or QSE	2	
	Total	20	

9 BID AWARD USING POINTS SYSTEM

- a) Bidders who do not claim preference points may be scored zero for specific goals.
- b) The bidder obtaining the highest number of total points will be awarded the contract.
- c) Price points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts.
- d) Points scored must be rounded off to the nearest two decimal places.
- e) In the event that two or more bids have scored equal total number of points, the successful bid must be the one scoring the highest points for specific goals.
- f) However, in the event that two or more bids have scored equal points including equal specific goal points, the successful bid must be the one scoring the highest points for functionality.
- g) Should two or more bids be equal in all respects, the award shall be decided by drawing lots.

10 PRICING SCHEDULE.

Pricing instructions

1. The Bidder must price all items.
2. Bidder is requested to complete the table below and also provide a separate quote regarding the work to be undertaken.
3. Prices to include all costs with no unspecified cost to allow for a fair evaluation.
4. Payment will be made based on the deliverables (proven progress) for the services rendered.
5. Payment will only be made based on invoices provided.
6. Service providers must ensure that the price quotations are inclusive of all applicable taxes (including VAT). Costing must comprise all the relevant services proposed in the bidder's submission

11 PRICING SCHEDULE

The proposed total pricing rates must include VAT. Prices/ rates are to be indicated per unit/ item basis as required by table three (3) below, which constitutes the tender's pricing schedule. Prices/ rates indicated must be projected for months and per annum.

Table 3: once-off cost items

Description	Qty	Cost Per Unit	Total Excl VAT	VAT (15%)	Price Inclusive of VAT
Provision, installation, and configuration of a Digital Signature application and relevant Licenses.	40				
Grand Total Price for once-off:					

Table 4 Periodical cost items (Indicate Grand Totals per month, annual, and end 3-year term)

NB: Please note that the monthly, annual, and end-term charges must be for usage, not for supply, delivery, and installation.

Description	Qty	Cost Per item	Per Month	Annual	Grand Total (3 Year-Term)
Annual Software Licensing Renewal cost for the digital signature application.	40				

Proposals must include a three-year remote end-user license support.	1				
Total Excl Vat					
Vat (15%)					
Net-Price inclusive of VAT					
Grand Total Price		R	R	R	R

Table 5: Please indicate once-off cost and Grand Total Price at the end of the 3-year Term (All-inclusive)

Total for Table 3: Once-off cost:	R
Grand Total for Table 4: Period Cost items:	R
All-inclusive Cost: (Table 3 + Table 4):	R

12 CONTRACTUAL OBLIGATION

The bidder will be required to comply with the following:

- a) Signatory to SBD 7.2 contract form with the bidder's approved submission (on appointment).
- b) Compliance with the general conditions of the contract.
- c) Bidders are required to fully comply with the relevant SCM Legislative Framework as well as applicable applications of regulatory prescripts.
- d) In the case of the service provider using subcontractors, the former will be responsible for ensuring the delivery of services from any such sub-contractors and for making any payments to such sub-contractors.
- e) **Bidder must adhere to the Protection of Personal Information (POPI) Act.**

13 CONDITIONS TO BE OBSERVED WHEN BIDDING

13.1 IUCMA does not bind itself to accept the lowest or any BID, nor shall it be responsible for or pay any expenses or losses that may be incurred by the bidder in the preparation and delivery of the quotation.

13.2 No quotation shall be deemed to have been accepted unless and until a purchase order/letter of appointment is prepared and executed.

13.3 A quotation shall remain open for acceptance by IUCMA for **60 days** from the closing date of the quotation enquiry.

13.4 IUCMA reserves the right to:

- a) Not evaluate and award a bid that does not comply strictly with the requirements of this bid document.
- b) Make a selection solely on the information received in the bid document and enter into negotiations with any one or more of the preferred bidder(s) based on the criteria specified in the evaluation of this bid document.
- c) Contact any bidder during the evaluation process to clarify any information without informing any other bidders and no change in the content of the bid shall be sought, offered or permitted.
- d) Award a contract to one or more bidder(s).
- e) Withdraw the BID at any stage.
- f) Accept a separate BID or any BID in part or whole at its discretion.
- g) Cancel this BID or any part thereof at any stage as prescribed in the PPPFA regulation.
- h) Should bidder(s) be selected for further negotiations, they will be chosen based on cost-effectiveness and the principle of value for money, not necessarily on the lowest costs. The IUCMA, therefore, reserves the right not to appoint the lowest bidder.
- i) The contract will be under the direct supervision of the IUCMA Human Resource Division.

14 BID AWARD USING POINTS SYSTEM

11.1. The bidder obtaining the highest number of total points will be awarded the contract unless objective criteria justify the award to another bidder.

11.2. Price points shall be calculated after process has been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts.

11.3. Points scored must be rounded off to the nearest two decimal places.

11.4. In the event that two or more bids have scored equal total number of points, the successful bid must be the one scoring the highest points for specific goals.

11.5. However, in the event that two or more bids have scored equal points including equal specific goal points, the successful bid must be the one scoring the highest points for functionality.

11.6. Should two or more bids be equal in all respect, the award shall be decided by the drawing of lots.

15 CONSORTIUM AND JOINT VENTURES

15.1 Consortium

15.1.1 A consortium is an association of two or more individuals, companies, organisations or governments (or any combination of these entities) with the objective of participating in a common activity or pooling their resources for achieving a common goal.

15.1.2 A consortium requires that each participant retains its separate legal status and the consortium's control over each participant is generally limited to activities involving the joint endeavour, particularly the division of profits. A consortium is formed by contract, which designates the rights and obligations of each member.

15.1.3 In a consortium, only the lead bidder's credentials both in terms of financial and technical qualifications are considered. Therefore, the interpretation and application to a RFQ/Bid process is such that the lead partner is identified, and the following requirements are required as follows.

a) Lead Partner

- i. All administrative documents (consortium agreement between the lead partner and the partner).
- ii. Technical requirements (which will show in the proposal and other requirements why the need for the consortium, which for all intent and purpose fulfils the requirements of the bid through combination of skills).

b) Partner

- i. Proof of CSD registration.
- ii. Tax Pin.

- iii. BBBEE Sworn-Affidavit.
- iv. SBD 4

15.1.4 It should be taken into cognisance that although the lead partner is the qualifying entity, the partner should prove that it can do business with state-owned entities, through CSD registration, proof that the taxes are compliant, its level of BBBEE status in order to align with the specific goals required by the BID, declare interest and answer questions that it is not a disqualified entity with the National Treasury. The foregoing ensures compliance from an SCM process perspective that the consortium is in order.

15.1.5 Of importance is that in a consortium, each individual team members retain their identities.

15.2 A joint venture

15.2.1 A joint venture is a business entity created by two or more parties, generally characterized by shared ownership, returns and risks and shared governance.

15.2.2 Unincorporated joint venture:

All SCM documents are filled in by the joint venture in the name of the joint venture, although the submission of administrative documents (partnership agreement between parties) will be completed in the name of the joint venture, and the following will be required from both parties, amongst others

- SBD 4
- SBD 6
- Tax pin
- CSD registration
- The JV agreement will direct which bank account of the two entities will be used.
- Consolidated Joint BBBEE Certificate

15.2.3 Incorporated joint venture:

This aligned to a registered entity or company. A registered entity/ company with a consolidated BBBEE certificate and a bank account in the name of the Joint venture. The required compliance documents must be complete by the entity/ company the name of the joint venture, and the following will be required amongst others

- SBD 4
- SBD 6
- Tax pin
- CSD registration
- The JV agreement will direct which bank account of the two entities will be used.
- Consolidated Joint BBBEE Certificate

16 COST OF BIDDING

The bidder shall bear all costs and expenses associated with the preparation and submission of its bid submission and the IUCMA shall under no circumstances be responsible or liable for any such costs, regardless of, without limitation, the conduct or outcome of the bidding, evaluation, and selection process.

17 NOTE TO BIDDERS

Due diligence may be conducted by IUCMA prior to the award of the contract period – where applicable.

18 Contact Persons

Technical Enquiries	SCM Enquiries
Information Technology Mr. Lington Skhosana Tel. 082 765 3301 Email: skhosanal@iucma.co.za	Supply Chain Management Ms. Carol Mavuna Tel: 066 383 8333 E-mail: mavunac@iucma.co.za

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

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

2.2.1 If so, furnish particulars:

.....

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

2.3.1 If so, furnish particulars:

.....
.....

3 DECLARATION

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

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the

² Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of bidder

SBD 6.1

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

- a) The applicable preference point system for this tender is the **80/20** preference point system.

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:

$$\begin{array}{ccc} \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\ \\ \mathbf{Ps} = \mathbf{80} \left(\mathbf{1} - \frac{\mathbf{Pt} - \mathbf{Pmin}}{\mathbf{Pmin}} \right) & \mathbf{or} & \mathbf{Ps} = \mathbf{90} \left(\mathbf{1} - \frac{\mathbf{Pt} - \mathbf{Pmin}}{\mathbf{Pmin}} \right) \end{array}$$

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:

$$\begin{array}{ccc} \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \end{array}$$

$$Ps = 80 \left(1 + \frac{Pt - Pmax}{Pmax} \right) \text{ or } Ps = 90 \left(1 + \frac{Pt - Pmax}{Pmax} \right)$$

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 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 (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Enterprises with ownership of 51% or more by person/s who are black	10	
Enterprises with ownership of 30% or more by person/s who are women	5	
Enterprises with ownership of 25% or more by person/s who are youth or with disability	3	
B-BBEE Status level contributors from level 1 to 2 contributors which are EME or QSE	2	
Total	20	

Returnable documents to claim points	Please tick here for the attached document
Valid BBEE certificate / sworn affidavit. Consolidated BBEE certificate / sworn affidavit in case of joint venture	
Full CSD report or CSD registration number	
CIPC registration documents	
Declaration / proof of disability issued by medical practitioner	

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

- | | |
|---|--|
| <input type="checkbox"/> Partnership/Joint Venture / Consortium | |
| <input type="checkbox"/> One-person business/sole propriety | |
| <input type="checkbox"/> Close corporation | <input type="checkbox"/> Public Company |
| <input type="checkbox"/> Personal Liability Company | <input type="checkbox"/> (Pty) Limited |
| <input type="checkbox"/> Non-Profit Company | <input type="checkbox"/> 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:

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 vendor, 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 Vendor 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 anything 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 vendor 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 vendor 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 vendor 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 Institution purchasing the goods/works and/or service.
- 1.22. **"Republic"** means the Republic of South Africa.
- 1.23. **"SCC"** means the Special Conditions of Contract.
- 1.24. **"Services"** means that 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 vendor 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 vendors, 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. Invitations to bid are usually published in locally distributed news media and on the municipality/municipal entity website.

4. Standards

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

5. Use of contract documents and information inspection

5.1. The vendor 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 vendor 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 vendor 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 vendor shall permit the purchaser to inspect the vendor's records relating to the performance of the vendor and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.
- 5.5. The vendor 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. Patent Rights

- 6.1. The vendor 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. The proceeds of the performance security shall be payable to the purchaser as compensation for any loss result from them vendor's failure to complete his obligations under the contract.
- 7.2. 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.
- 7.3. The performance security will be discharged by the purchaser and returned to the vendor not later than thirty (30) days following the date of completion of the vendor'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 Institution or an organization acting on behalf of the Institution.
- 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 vendor.
- 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 analysed 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 vendor 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 vendor's cost and risk. Should the vendor fail to provide the substitute supplies forthwith, the purchaser may, without giving the vendor further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the vendor.
- 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. Packaging

- 9.1. The vendor 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 vendor in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the vendor are specified in SCC.
- 10.2. Documents to be submitted by the vendor 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 vendor 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 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 vendor of any warranty obligations under this contract;
- e) training of the purchaser's personnel, at the vendor's plant and/or
- f) on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

13.2. Prices charged by the vendor 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 vendor for similar services.

14. Spare parts

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

- a) such spare parts as the purchaser may elect to purchase from the vendor, provided that this election shall not relieve the vendor 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 vendor 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 vendor 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 vendor, 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 vendor in writing of any claims arising under this warranty.
- 15.4. Upon receipt of such notice, the vendor 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 vendor, 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 vendor's risk and expense and without prejudice to any other rights which the purchaser may have against the vendor under the contract.

16. Payment

- 16.1. The method and conditions of payment to be made to the vendor under this contract shall be specified in SCC.
- 16.2. The vendor 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 vendor.
- 16.4. Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices

- 17.1. Prices charged by the vendor for goods/works delivered and/or services performed under the contract shall not vary from the prices quoted by the vendor in this bid, with the exception of any price adjustments authorized in SCC or 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 vendor shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.

20. Subcontractors

20.1. The vendor shall notify the purchaser in writing of all subcontractors awarded under this contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the vendor from any liability or obligation under the contract.

21. Delays in the vendor's performance

21.1. Delivery of the goods/works and/or performance of services shall be made by the vendor 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 vendor or its subcontractor(s) should encounter conditions impeding timely delivery of the goods/works and/or performance of services, the vendor 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 vendor's notice, the purchaser shall evaluate the situation and may at his discretion extend the vendor'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 essential services executed if an emergency arises, the vendor's point of supply is not situated at or near the place the supplies are required or the vendor's supplies or goods are not readily available.

21.5. Except as provided under GCC Clause 25, a delay by the vendor in the performance of its delivery obligations shall render the vendor 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 cancelling 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 vendor'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 vendor.

22. Penalties

22.1. Subject to GCC Clause 25, if the vendor 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/works and/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 vendor, may terminate this contract in whole or in part:

- a) if the vendor 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 vendor fails to perform any other obligation(s) under the contract; or
- c) if the vendor, 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 and/or services similar to those undelivered, and the vendor shall be liable to the purchaser for any excess costs for such similar goods/works and/or services. However, the vendor 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 vendor by prohibiting such vendor 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 vendor or any person associated with the vendor, the vendor 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 vendor 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 vendor.

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 vendor 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 vendors 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 antidumping 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 vendor 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 as a result of an event of Force Majeure.

25.2. If a force majeure situation arises, the Vendor shall promptly notify the Purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the Purchaser in writing, the Vendor 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 on insolvency

26.1. The purchaser may at any time terminate the contract by giving written notice to the vendor if the vendor becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the vendor, 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 vendor 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 vendor 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 vendor any monies due the vendor.

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 vendor 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 vendor to pay penalties and/or damages to the purchaser; and
- b) the aggregate liability of the vendor 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 vendor 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 vendor 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 vendor 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 purchaser 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

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.

34.2. 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.