**INKOMATI-USUTHU CATCHMENT MANAGEMENT AGENCY**

**REQUEST FOR QUOTATION (RFQ)**

| | |
|---|---|
| **RFQ REFERENCE** | RFQ/014/SECURITYSERVICES/2026 |
| **RFQ DESCRIPTION** | PROVISION OF PHYSICAL SECURITY, PATROL SERVICES, ALARM AND ARMED RESPONSE MONITORING AT THE PIET RETIEF SATELLITE OFFICE FOR A PERIOD OF 12 MONTHS. |
| **RFQ ISSUE DATE** | 29 OCTOBER 2026 |
| **CLOSING DATE & TIME** | THURSDAY 12 NOVEMBER 2026 @ 11:00 AM |
| **LOCATION OF SUBMISSIONS** | **mavunac@iucma.co.za** |

Bidders must submit responses via e-mail at: **mavunac@iucma.co.za**

Please furnish us with all information as requested and return your quotation on the date and time stipulated above.

**Late and incomplete submissions will invalidate the quote submitted.**

**QUOTATION SUBMITTED by:**

Supplier's Name: _____

CSD Number: MAAA_____

Physical Address: _____

Email Address: _____

Contact Person: _____

Contact Number: _____

Signature of Bidder: _____

## 1. INTRODUCTION AND BACKGROUND

The Inkomati-Usuthu Catchment Management Agency (IUCMA) is an entity established in terms of Chapter 7 of the National Water Act, 36 of 1998. It derives its mandate from the Constitution of the Republic of South Africa, 108 of 1996.

The security services will include the deployment of armed and trained security personnel to patrol the premises, conduct access control swift response to panic button. Due to the important nature of operations, the Piet Retief office needs solid security measures to protect individuals, maintain organizational assets, and ensure the integrity of its operations.

The physical security, patrol services and provision of armed response monitoring, are aimed for the protection of personnel, assets, and information housed within the premises. The services include preventing unauthorized access, theft, vandalism, and other security violations. The service provider must maintain a secure and favourable working environment for staff members and visitors alike.

## 2. SCOPE OF WORK AND DELIVERABLES

The invitation to bid is extended to all experienced, qualified, and PSIRA-registered service providers to provide security services, patrol, alarm and armed response monitoring after working hours and on weekends and public holidays, it for a period of twelve (12) months. The scope of work entails the following duties:

- IUCMA requires service provider to provide physical security, patrol services and provide alarm and armed response monitoring daily for 12 months 10 hours per day (from 07:00 to 17:00 and 24-armed and patrol response after hours during the week and weekends (Saturday and Sundays) and public holidays.
- Conduct regular patrols and inspections during business hours (day shifts) including on public holidays and weekends provide alarm and armed response monitoring in case of security breach or emergency.
- Prevent unauthorized activities and monitor suspicious behaviour and activities in and around the premises.
- Provide detailed records of security incidents, and violations of security protocols that must be maintained, Incidences to be reported to IUCMA.
- Report all incidences to the IUCMA Security Management.
- Make recommendations for improvement of security measures as and when necessary.
- Ensure that the Occurrence Book (OB) and registers are updated and available for inspection at any given time.
- Ensure that Security Personnel and Supervisors are deployed on time and fully equipped e.g., Security personnel are to be always provided with a licenced firearm.

### Operational and Physical Security required

The service provider registered with the Private Security Industry Regulatory Authority (PSIRA) shall prove to the IUCMA that they are fully compliant with all the applicable regulations, requirements, ordinances, and legislations to security services.

- Patrol and monitoring armed alarm response Security Guard dayshift (During weekends and public holidays) with at least Grade C.
- Patrol and monitoring services.
- 1x Armed Security Guard Day shift (During working hours) with at least Grade C, 10hrs (07:00-17:00)
- Monitoring and responding of alarm after working hours (17:00 to 07:00) Monday to Friday.
- 1x Armed Security Guard Day shift 10 hours (07:00 – 17:00)
- 1x Armed Reliever, with at least Grade C
- 1x Site Supervisor with competency certificate with at least (Grade B)
- Security guards are required to work five (5) days a week (Provide armed response and patrol on weekends and public holidays)

## 3. UNIFORM AND EQUIPMENT

The service provider must ensure that all security officers registered under this contract receive uniforms that present the company's name and are easily identifiable from those of other companies.

**The service provider should provide the following equipment to the security officers:**

- Occurrence Book and other relevant security registers.
- Fully operational radios.
- Fully operational torches.
- Pocketbook.
- PSIRA Identification Cards.
- Pens.
- Handcuffs and keys.
- Handheld metal detectors.
- Firearms.

## 4. SERVICE PROVIDER OBLIGATIONS

4.1 . To ensure the health (medical) of all personnel under this agreement and minimize any potential risks to IUCMA employees and clients/contractors.

4.2 . To adhere to IUCMA security and emergency protocols.

4.3 . To ensure that all security officers receive wages meeting the minimum standards outlined in the relevant sectorial determination.

4.4 . To ensure that security officers are acquainted with the working environment at IUCMA.

4.5 . All expenses related to personnel, such as salary, bonuses, provident fund contributions, medical fund contributions, and insurance premiums, registration with department of labour (UIF, COIDA) will be entirely borne by the service provider. IUCMA will not be liable for the payment of security officers.

4.6 . All applicable taxes, charges, levies, or fees imposed or levied by any recognized authority regarding security persons supplied or resulting from the security personnel being provided by

the service provider shall be paid by the service provider.

4.7 . Paying employees less than the current appropriate pay determination in the security industry is not permitted at any point by the service provider.

## 5. COMPLIANCE OF REGULATORY STANDARDS (as part of contract conditions)

The service provider must adhere to, among other relevant laws, the following legislation, including any updates or amendments:

- Private Security Industry Regulation Act, 2001 (Act no. 56 of 2001)
- Private Security Industry Regulations, 2002 dated 14 February 2002
- Provisions from the Security Officers Act, 1987 (Act 92 of 1987)
- Occupational Health and Safety Act, 1993 (Act no. 85 of 1993)
- Criminal Procedure Act, 1977 (Act no. 51 of 1977)
- Firearms Control Act, 2000 (Act no. 60 of 2000)
- Control of Access to Public Premises and Vehicles Act, 1985 (Act no. 53 of 1985)
- Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996)
- Promotion of Access to Information Act, 2000 (Act No 2 of 2000)
- Protection of Personal Information Act, 2013 (Act no 4 of 2013)

## 6. BREACH AND TERMINATION

6.1 Bidders are referred to General Conditions of Contract (GCC) relating to failure to comply with conditions of this contract and delayed execution.

6.2 Any non-compliant against the PSIRA and Basic Conditions of Employment Act is a breach of contract and will lead to termination of services.

6.3 Failure of Operational staff (security officers and supervisor) to comply with requirements of the contract (this includes security equipment, handing over between shifts, improper or no uniform, not reporting incidents and deserting of posts) will be penalized by recovering state funds as per penalties indicated below on this document.

6.4 The continuous occurrence of non-compliance or contravention of the SLA will lead to the termination of a contract.

6.5 The absence of security officer (s) on duty will lead to automatic termination of the contract.

## 7. TRANSFER MANAGEMENT

Upon termination of the contract for whatever reason service provider shall assist IUCMA in transferring the services to the Agency, or to another service provider designated by the IUCMA. Without detracting from the generality of this obligation, the service provider shall, to the extent required by the Agency, provide the Agency or the third-party service provider with all information and documentation required to enable the Agency or such service provider to provide the services, it is recorded that this obligation shall not oblige the service provider to deliver any documentation that is proprietary or confidential to the service provider.

## 8. PENALTIES

8.1 . If the service provider fails to perform the services within the period(s) specified in the contract, IUCMA 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 services rendered not performed services using the current rate calculated for each day of the delay service until actual delivery or performance is rendered. The Agency reserves the right to terminate the contract.

8.2 . Security officials shall be required to render the services as required by the Agency. Should it at any time during the term of this contract or at any time thereafter be determined that security personnel of a lower grade or with inadequate training or no training at all being provided, all overpayments made to the service provider shall forthwith be recovered from the time the lower grade or untrained security personnel was/were deployed and a final written warning shall be issued to the service provider.

8.3 . In the event of security personnel being provided without standard equipment or uniform or standard equipment not in working order, the following penalties shall apply which shall be deducted from the fees payable to the service provider.

| **ITEM** | **PENALTY** |
|---|---|
| Part of uniform | R 500 per shift, per security official |
| Pocketbook | R 200 per shift, per security official |
| Identification card | R 200 per shift, per security official |
| PSIRA card | R 200 per shift, per security official |
| Torch/ spotlight and/or inadequate batteries | R 200 per shift, per security official |
| Hand radio | R 500 per shift, per site |

8.4 . In the event of a supervisor not visiting at least at least twice each shift, the following penalties shall apply, which shall be deducted by the entity from the fees payable to the service provider.

| **ITEM** | **PENALTY** |
|---|---|
| Supervisor not visiting | R 200 per shift and a week skipped |

8.5 . In the event of security personnel being posted late at his/her place of duty or found sleeping on duty; the following penalties shall apply which shall be deducted by the Agency from the fees payable to the service provider.

| **PERSONNEL** | **1st OFFENCE** | **2nd OFFENCE** |
|---|---|---|
| Security Officer untidy | R100 per shift per officer | R500 per shift per security officer |
| Performance and Conduct | Reprimand by service provider (proof required) | R500 per shift per security officer |

| PERSONNEL | 1st OFFENCE | 2nd OFFENCE |
|---|---|---|
| Sleeping on duty | R200.00 per person per shift | R500 per person per shift and removal from the site |
| Desertion of post | R200.00 per person per shift | R500 per person per shift and removal from the site |
| Posted officers without the knowledge of the client | 50% of Grade C shift payment | Full Grade C shift payment as per quotation pro rata |
| Dysfunctional equipment | R200.00 per person per shift | R500 per person per shift and removal from the site |
| Officers working long hours | warning | R200 per person per shift |
| Neglect of duty | warning | R200 per person per shift |
| Drunk on duty | R1000 and a warning to the service provider | Removal of security officer from the site plus R2000 |

## 9. LIABILITIES

The service provider will hold responsibility for any damage or theft caused by their employees or due to their negligence, whether occurring during the regular performance of their duties or otherwise. The IUCMA reserves the right to impose an indemnification claim against the service provider accordingly.

The service provider agrees to indemnify the IUCMA against any third-party claims and associated costs or legal expenses arising from loss or damage, including injury, death, or property damage, resulting from, or related to the execution of this contract, whether affecting the service provider or any other party involved.

## 10. DURATION AND REPORTING REQUIREMENTS

The security services must be provided for a period of twelve (12) months starting from appointment date.

The service provider will report to the Security Management (OHS officer) (Head office).

## 11. CONFIDENTIALITY

The Service Provider is required to prioritize the interests of IUCMA throughout the contract duration. Any information acquired by the Service provider(s) during the contract must be treated with utmost confidentiality and cannot be utilized without written consent from IUCMA.

## 12. EVALUATION OF KEY PERFORMANCE INDICATORS

The performance of the service provider will be evaluated monthly on the following Key Performance Indicators:

- Guards on duty at specified time and place, in correct uniform and possession of necessary equipment.
- Guard's conduct shall be conducive to the image of the IUCMA.
- Registers / Occurrence Book up to date and available for inspection.
- Monthly reports submitted within 7 working days after the end of each month.

- Timeous reporting of incidences within working hours.
- Number of incidents.
- Effective monitoring of access control.

**13. Phase1 - Administrative prequalification criteria**

13.1.1 Bidder must submit Proof of registration on CSD (**Central Supplier Database**).

13.1.2 Bidder must submit fully completed and signed bidding documents:

- ✓ **SBD 4 Bidder's Disclosure**
- ✓ **SBD 6.1 Preference Points Claim Form**
- ✓ **General Conditions of Contract (GCC) initialled on each page**

13.1.3 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.**

**Note:**

- If the bidder is listed on the National Treasury List of Restricted Suppliers or if any of its Directors are Listed on the Register of Defaulters shall result in disqualification of the bid.

If the status of the bidder reflecting deregistered on CIPC and/or CSD shall result in disqualification of the bid **14.1. Mandatory evaluation criteria (Phase 2)**

14.1.1. Only bidders that have met the administrative prequalification criteria in Phase 1 will be evaluated in Phase 2 for mandatory evaluation. The table below contains the mandatory evaluation criteria.

14.1.2. If a bidder does not meet any of the mandatory evaluation criteria, the bidder will be disqualified, and the bid will not be evaluated further.

**14. Mandatory evaluation criteria**

| # | Mandatory evaluation criteria | Bidder to submit as proof |
|---|---|---|
| 1. | Fleet/vehicle | Yes – Proof of Patrol Fleet/Vehicle registration |
| 2. | Proof of full and valid accreditation with the Private Security Industry Regulator Authority (PSIRA) for both Company and Director/s. | A certified copy of a valid PSIRA Accreditation certificate for the company and director/s. |
| 3. | A valid letter of PSIRA Good Standing for the company. | A certified copy of a valid PSIRA letter of good standing for the company . |
| 4. | A valid letter of Good Standing from the Occupational Injuries and Diseases Act (COIDA) | A valid copy of the COIDA Registration Certificate. |
| 5. | A valid Public Liability Insurance covers a minimum of R2 million | Proof of insurance of R 2 million or a letter of Intent by an accredited insurance broker /company should be adequate to replace damaged and/or stolen Agency property being guarded by the preferred service provider. |

| # | Mandatory evaluation criteria | Bidder to submit as proof |
|---|---|---|
| 6. | A valid Firearm Licenses | Proof of valid firearm licences from the SAPS registers in the name of the company. |
| 7. | A valid Private Security Sector Provident Fund letter of good standing. | A valid Private Security Sector Provident Fund letter of good standing. |
| 8. | A valid ICASA licence | A valid proof of ICASA licence authorizing the use of a radio communication device or a letter of intent to use the licence of another entity accompanied by a valid licence of that entity. |
| 9. | Pricing Schedule (or bid offer/pricing). | The pricing schedule page must be completed in full and signed. |
| 10. | One (1) Reference letter confirming experience in the physical security industry from Companies you rendered a security service. REFERENCE LETTER not an award letter or completion letter. | The reference which is not older than 5 years. |

**15. Price and specific goals criteria**

15.1.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 $Ps = 80\left(1 - \frac{Pt-Pmin}{Pmin}\right)$ | 80 |
| Specific Goals (refer to requirements below) | 20 |
| **Total Points for Price and Specific Goals** | **100** |

Where,
Ps = Points scored for comparative price of bid under consideration
Pt = Comparative price of bid under consideration
Pmin = 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-categories: | | |
| 1 | 51% or more black ownership | 10 | 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. |
| 2 | 30% or more women ownership | 5 | |
| 3 | 25% or more youth/disabilities ownership | 3 | |
| 4 | B-BBEE status level contributors from level 1 to 2 contributors which are EME or QSE | 2 | |
| | TOTAL | 20 | |

### 15.2 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 of lots.

## 16.Price evaluation

16.1 All pricing must be in South African Rands and fixed for the contract duration.
16.2Costing should be aligned with PSIRA rates (IUCMA reserves a right to disqualify bidders who do not comply with PSIRA rates). IUCMA shall not contract with a bidder who does not comply and reserves the right to terminate a contract should it be discovered after award that security officers are paid less than the PSIRA rates.

## 17. PRICING SCHEDULE

### Pricing instructions

1. The Bidder must price all items.
2. Rates are to include all costs with no unspecified cost to allow for a fair evaluation.
3. Payment will be made based on the deliverables (proven progress) for the services rendered.
4. Payment will only be made based on invoices provided.
5. All travel arrangements to be done by the service provider.
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 – PSIRA aligned rates must be applied. (But not limited to):

| Description | Monthly costs | Once off Costs |
|---|---|---|
| Installation of alarm system and monitoring tags | [redacted] | **R** |
| Alarm response Armed Services. | R | [redacted] |
| 1x Armed Security Guard dayshift weekdays with Grade C (10 hours 07:00 to 17:00) | R | |
| Alarm response Security Guard with Grade C for weekends and public holidays. | R | |
| 1x Armed Security Guard (reliever) with Grade C | R | |
| 1x Armed Site Supervisor with Grade B | R | |

| | | |
|---|---|---|
| | | [redacted] |
| Monitoring and patrols | R | |
| **Sub-total** | R | |
| **Vat (15%)** | R | |
| **Total costs for 12 months (Incl Vat)** | R | |
| **Total costs (monthly costs+ once off costs)** | R | |

**N.B Bidders are requested to comply with Tariffs and Rates charged, in accordance with those prescribed by PSIRA Sectorial Determination as per respective security classification.**

**18. SPECIAL CONDITIONS OF CONTRACT**

During the appointment phase until the contract duration, the service provider must ensure that the following operating level performance is always adhered to ensure that the services shall be optimally rendered and always available for use:

- ✓ Ensure that the Department of Labour conditions (registration of UIF and security guards) are met.
- ✓ Ensure that service level contracts and conditions of employment with the security guards are met.
- ✓ Provision of uniform, registered firearms, handcuffs, and stationery (OB books, access, and asset control registers).
- ✓ Installation of a premises patrol tagging system in relevant or high-risk areas.

**19. CONTACT PERSONS**

| **Technical Enquiries** | **SCM Enquiries** |
|---|---|
| OHS & Security<br>Mr. T Serage<br>Tel: 064 757 9252<br>E-mail: seraget@iucma.co.za | Supply Chain Management<br>Name: Ms Carol Mavuna<br>Tel: 066 3838 333<br>E-mail: mavunaC@iucma.co.za |

**SBD4**

# BIDDER'S DISCLOSURE

## 1. PURPOSE OF THE FORM

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

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

## 2. Bidder's declaration

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

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

| **Full Name** | **Identity Number** | **Name of State institution** |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

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

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

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

2.2.1 If so, furnish particulars:
……
……

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

2.3.1 If so, furnish particulars:
……
……

## 3 DECLARATION

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

3.1 I have read and I understand the contents of this disclosure;

3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;

3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium2 will not be construed as collusive bidding.

3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.

3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring

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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.

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

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

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

…… ……
Signature Date

…… ……
Position Name of bidder

# PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 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
- 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:

**80/20** **or** **90/10**

$$Ps = 80\left(1 - \frac{Pt - P\,min}{P\,min}\right) \text{ or } \quad Ps = 90\left(1 - \frac{Pt - P\,min}{P\,min}\right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

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

#### 3.2.1. POINTS AWARDED FOR PRICE

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

**80/20** **or** **90/10**

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

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 BBBEE certificate / sworn affidavit. Consolidated BBBEE 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

- ☐ Partnership/Joint Venture / Consortium
- ☐ One-person business/sole propriety
- ☐ Close corporation
- ☐ Public Company
- ☐ Personal Liability Company
- ☐ (Pty) Limited
- ☐ Non-Profit Company
- ☐ State Owned Company

[TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

i) The information furnished is true and correct;

ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;

iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –

(a) disqualify the person from the tendering process;

(b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;

(c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;

(d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and

(e) forward the matter for criminal prosecution, if deemed necessary.

| | |
|---|---|
| | ……. |
| | **SIGNATURE(S) OF TENDERER(S)** |
| **SURNAME AND NAME**: | ……. |
| **DATE:** | ……. |
| **ADDRESS**: | ……. |
| | ……. |
| | ……. |

# THE NATIONAL TREASURY

## Republic of South Africa




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# GOVERNMENT PROCUREMENT:

# GENERAL CONDITIONS OF CONTRACT

## July 2010

# GOVERNMENT PROCUREMENT

# GENERAL CONDITIONS OF CONTRACT
# July 2010

## NOTES

The purpose of this document is to:

(i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and

(ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.

- The General Conditions of Contract will form part of all bid documents and may not be amended.

- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if (applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

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## General Conditions of Contract

**1. Definitions**

1. The following terms shall be interpreted as indicated:

1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.

1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.

1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.

1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.

1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.

1.7 “Day” means calendar day.

1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.

1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.

1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.

1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

1.12 ”Force majeure” means an event beyond the control of the supplier and not involving the supplier’s fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

1.13 “Fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

1.14 “GCC” means the General Conditions of Contract.

1.15 “Goods” means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

1.16 “Imported content” means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.

1.17 “Local content” means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.

1.18 “Manufacture” means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

1.19 “Order” means an official written order issued for the supply of goods or works or the rendering of a service.

1.20 “Project site,” where applicable, means the place indicated in bidding documents.

1.21 “Purchaser” means the organization purchasing the goods.

1.22 “Republic” means the Republic of South Africa.

1.23 “SCC” means the Special Conditions of Contract.

1.24 “Services” means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such

obligations of the supplier covered under the contract.

1.25 "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

**2. Application**

2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.

2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

**3. General**

3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.

3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

**4. Standards**

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

**5. Use of contract documents and information; inspection.**

5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.

5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.

5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

**6. Patent rights**

6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.

**7. Performance security**

7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.

7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

(a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
(b) a cashier's or certified cheque

7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

**8. Inspections, tests and analyses**

8.1 All pre-bidding testing will be for the account of the bidder.

8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.

8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

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

8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.

8.7 Any contract supplies may on or after delivery be inspected, tested or

analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

**9. Packing**

9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

**10. Delivery and documents**

10.1 Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.

10.2 Documents to be submitted by the supplier are specified in SCC.

**11. Insurance**

11.1 The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the SCC.

**12. Transportation**

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

**13. Incidental services**

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

(a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
(b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

(d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

(e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

**14. Spare parts**

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

(a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and

(b) in the event of termination of production of the spare parts:

(i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and

(ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

**15. Warranty**

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.

15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take

such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

**16. Payment**

16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.

16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.

16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.

16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

**17. Prices**

17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.

**18. Contract amendments**

18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.

**19. Assignment**

19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.

**20. Subcontracts**

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

**21. Delays in the supplier's performance**

21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.

21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.

21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the

supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without canceling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

**22. Penalties**

22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

**23. Termination for default**

23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:

(a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;

(b) if the Supplier fails to perform any other obligation(s) under the contract; or

(c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.

23.4 If a purchaser intends imposing a restriction on a supplier or any

person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.

23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:

(i) the name and address of the supplier and / or person restricted by the purchaser;
(ii) the date of commencement of the restriction
(iii) the period of restriction; and
(iv) the reasons for the restriction.

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

23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

**24. Anti-dumping and countervailing duties and rights**

24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which

may be due to him

**25. Force Majeure**

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

**26. Termination for insolvency**

26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

**27. Settlement of Disputes**

27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

27.5 Notwithstanding any reference to mediation and/or court proceedings herein,

(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
(b) the purchaser shall pay the supplier any monies due the supplier.

**28. Limitation of liability**

28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;

(a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

**29. Governing language**

29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

**30. Applicable law**

30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.

**31. Notices**

31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice

31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

**32. Taxes and duties**

32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

**33. National Industrial Participation (NIP) 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.

34.3 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.