



**merSETA**

MANUFACTURING, ENGINEERING  
AND RELATED SERVICES SETA

## **TERMS OF REFERENCE**

**FOR**

**OPEN TENDERS**

**merSETA Payroll and HR System**

**ICT/2021/017**

**Closing Date: 28 January 2022, 12:00 noon**

**Validity Period: 120 days**

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Revision Number	Rev 07	Access	Controlled
Review: CFO		Approved: CEO	

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## 1 ACRONYMS

ESS	Employer Self Service
HR	Human Resource
merSETA	manufacturing, Engineering and Related Services Education and Training Authority
DDOS	Distributed Denial of Service
S&T	Subsistence and Travel
PDP	Personal Development Plan
POPIA	Protection of Personal Information Act

## 2 BACKGROUND

The merSETA is the Manufacturing, Engineering and Related Services Education and Training Authority established to promote the Skills Development Act, (Act No. 97 of 1998). It facilitates skills development in the following sub-sectors: metal and engineering, automotive manufacturing, motor retail and component manufacturing, new tyre manufacturing and plastics industries.

### Challenges:

The merSETA has a Payroll and HR System in place and it has the following challenges:

- 2.1. It is obsolete and outdated.
- 2.2. It is not stable and crashes frequently.
- 2.3. Has multiple components on different versions.
- 2.4. Does not have modern integrated features.

## 3 OBJECTIVE

The objective of this project is to procure services of a Service Provider to Install, Configure and Maintain a new Payroll and HR System for the merSETA as per the below Scope of Project, Outcomes and Deliverables.

The merSETA requires a solution that will enable it to achieve the following objectives leading to improved service delivery:

- 3.1. Reliable Integrated System with Payroll and HR Capabilities.
- 3.2. Easy setup or access for end users and administrators.
- 3.3. Resilient system that can recover easily from disasters with online support.
- 3.4. Latest Payroll and HR Functionality.

The merSETA has the following staff compliment in different offices and require a system that will be able to allow for future growth:

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Region	Head Count	Address
Head Office and Gauteng South Region	177	MerSETA House, 95 7 <sup>th</sup> Avenue, Cnr Rustenburg Road, Melville, Johannesburg, 2109
Mpumalanga Limpopo	12	1 <sup>st</sup> Floor, No 8 Corridor Street, Route N4, Business Park, Ben Fleur Ext 11, Emalaheni
Bloemfontein	21	46 Second Avenue, Westdene, Bloemfontein
KwaZulu Natal	18	149 Essenwood, Stephen Dlamini Road, Musgrave
Western Cape	19	Avanti, Second Floor, Cnr Churchill Close & Tygerfalls Boulevard, Tygervally, 7530
Eastern Cape	14	Pickering Park Office Suites, 14 – 20 Pickering Street, Newton Park, Gqeberha
Gauteng North	11	Automotive Supplier Park, 30 Helium Road, Rosslyn Ext 2
<b>TOTAL</b>	<b>272</b>	

**Note:**

The addresses of the Regional Offices might change but the footprint will remain the same

#### 4 PROJECT/ CONTRACT PERIOD

The contract period for this project will be from the date of signature for a period of 5 years.

#### 5 SCOPE OF PROJECT

The scope of this project is to provide a solution that can be configured to achieve the following aspects of Outcomes and Deliverables:

- 5.1 Replace the current Payroll and HR System.
- 5.2 Migrate or Import current historical system data within two (2) months.
- 5.3 Custom Configure and Install the system for merSETA.
- 5.4 Training, skills transfer and hand over.
- 5.5 Managed Cloud-Based System.
- 5.6 Managed Services, Updates and Version Upgrades or Roll backs.
- 5.7 24 hour technical and system support with Next-Business-Day.
- 5.8 Provide a customer portal for easy call logging and technical support.

#### 6 OUTCOMES AND DELIVERABLES

##### 6.1 Mandatory Requirements

The required system must have the following requirements:

- 6.1.1 Recruitment module, with the ability to advertise on the internet and accept applications online.
- 6.1.2 An integrated payroll module.
- 6.1.3 Performance management module.
- 6.1.4 Leave management module in line with Basic Conditions of Employment Act.

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- 6.1.5 An employee self-service module
- 6.1.6 Report writer e.g, Employment Equity Report

## 6.2 Recruitment module

- 6.2.1 Initiating request to recruit.
- 6.2.2 Processing request to hire.
- 6.2.3 Job advertising with internal and external options.
- 6.2.4 Integrates with social media sites.
- 6.2.5 Pre-screening.
- 6.2.6 Short Listing.
- 6.2.7 Interview scheduling.
- 6.2.8 Assessment testing scheduling.
- 6.2.9 Offer and regret letters.
- 6.2.10 Onboarding selected employee.

## 6.3 An integrated payroll module

- 6.3.1 Overtime calculations and reporting.
- 6.3.2 Garnishment management.
- 6.3.3 Employee payslip portal.
- 6.3.4 Employee IRP5 portal.
- 6.3.5 Contractor management.
- 6.3.6 Bonus Management global implementation.
- 6.3.7 Incentives Management.
- 6.3.8 Salary increases for Employees global implementation.
- 6.3.9 Allows for manual checks to be printed onsite.
- 6.3.10 Compatible with SARS Easyfile system.
- 6.3.11 Provides the capability to re-run selected steps of the payroll process.

## 6.4 Performance management module.

- 6.4.1 Enables employee contracting.
- 6.4.2 Solicit performance feedback from line manager.
- 6.4.3 Employees can complete self-evaluations.
- 6.4.4 Managers can provide performance feedback.
- 6.4.5 Send e-mail reminders and overdue notices throughout the process.
- 6.4.6 Uploading performance evidence by the employees.
- 6.4.7 Agree on the performance score.
- 6.4.8 Moderation management (HR can change the performance scores based on a re-evaluation of evidence).
- 6.4.9 Employees, managers or administrators can easily access historical performance reviews.
- 6.4.10 Progress tracking on completion.
- 6.4.11 Generate performance reports.

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## **6.5 Employee Self Service**

- 6.5.1 Manage Leave applications.
- 6.5.2 Manage Overtime claims.
- 6.5.3 Manage S&Ts claims.
- 6.5.4 Employee change of personal details.
- 6.5.5 Document uploads.
- 6.5.6 Personnel file management.
- 6.5.7 Position/Structure Management.

## **6.6 Manage Self Service**

- 6.6.1 Manage employee leave applications.
- 6.6.2 Manage employee overtime applications.
- 6.6.3 Manage employee S&Ts claims.
- 6.6.4 Document uploads for support of applications.
- 6.6.5 Position/Structure Management.
- 6.6.6 Begin the requisition process to create job openings.

## **6.7 Benefits**

- 6.7.1 Pension and provident fund allocation.
- 6.7.2 Allow employees to change benefit options.
- 6.7.3 Approval of benefit changes.
- 6.7.4 Assign different benefits packages to diverse groups of employees based on eligibility rules.
- 6.7.5 Updates benefit/deduction plans based on employee grade change.
- 6.7.6 Tracks and maintains information for dependents and beneficiaries.
- 6.7.7 Facilitate reporting to third-party service providers such as benefit providers.
- 6.7.8 Support employee enrolment in 13th Cheque saving scheme
- 6.7.9 Allows for online management of life events (e.g. marriage, birth, death, divorce, address change)

## **6.8 Compensation**

- 6.8.1 Provide complete employee compensation history (including merit, incentives, pay rate changes,
- 6.8.2 Establishes and maintains salary structure and ranges by grade.
- 6.8.3 Facilitate base salary, merit increase, and annual incentive planning.
- 6.8.4 Enable date-driven salary changes (allowing past and future changes)
- 6.8.5 Automatically updates employee base salary, annual and long- term incentive with approved amounts.
- 6.8.6 Provide total compensation views/reports to employees.
- 6.8.7 Automatically generate salary increase letters.
- 6.8.8 Facilitate an automated process for annual increases.
- 6.8.9 Provides budget worksheets to assist managers in compensation planning.
- 6.8.10 Dummy payslip generation.
- 6.8.11 Automate setting payscales.
- 6.8.12 Bonus provision, budgeting.

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## **6.9 Training and Development**

- 6.9.1 Create and maintain a catalogue of courses
- 6.9.2 Compilation of Workplace Skills Plan
- 6.9.3 Manage Personal Development Plan
- 6.9.4 Plans (PDPs)
- 6.9.5 Update PDPs

## **6.10 General HR Requirements**

- 6.10.1 Maintain employee demographic data for all employment-related details (e.g., birth date, employee number, gender, hire date, contact information).
- 6.10.2 Maintain marital, family, and dependent/beneficiary related and tax- related information.
- 6.10.3 Maintain historical data for current/former employees (e.g., names, employment, job/assignments, performance ratings, status, and pay).
- 6.10.4 Generate, identify, and track all employee types by unique employee number, e.g. ID number.

## **6.11 Organisational Structure**

- 6.11.1 Provides an ability to view and download the organisational structure.
- 6.11.2 To structure the organisation structure based on the reporting lines defined for each employee.
- 6.11.3 To track open positions in the organisational structure.

## **6.12 Workflow**

- 6.12.1 Describe the workflow capabilities provided by the product and identify which modules have workflow capabilities.

## **6.13 Document Management**

- 6.13.1 Store and manage documents for and about employees in a single system.
- 6.13.2 A central repository of documents with flexible search options.
- 6.13.3 Employees upload and access their documents at any time.
- 6.13.4 Employee documents attached to the same record used to capture all employee information, providing a single source of data.
- 6.13.5 Access control to documents and reports established by user roles.
- 6.13.6 Identify documents which contain Personally Identifiable Information and apply enhanced security and access controls to this sensitive information.

## **6.14 Data Security**

- 6.14.1 Data encryption of private and confidential information.
- 6.14.2 Conformance / abiding by the South African Data Protection Laws e.g POPIA
- 6.14.3 Have a distributed denial-of-service attack (DDoS) prevention feature to ensure system availability tools.

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- 6.14.4 Maintain audit trails of the employee file and data updates by date, time, and origin of update.
- 6.14.5 Audit trails for all additions, updates and changes.
- 6.14.6 Generates logs of system changes.
- 6.14.7 Generates a report of activities of the system administrator.
- 6.14.8 The system to allow payroll administrators to do payroll backup before rollover.

## 6.15 Additional Requirements

The proposed solution must provide features that satisfy the following functional requirements:

- Full HR Functionality.
- General Ledger Integration.
- Job Management
- Personnel Management
- Equity, Equity Report, Skills, Skills Mapping.
- Induction Programme
- Employment Equity Report

## 6.16 Non Functional Requirements

- 6.16.1 24 hour technical and system support with Next-Business-Day.
- 6.16.2 Provide a customer portal for easy call logging and technical support.
- 6.16.3 Technical and System skills transfer and support
- 6.16.4 Cloud based system/Software as a service/Capable of operating in a Microsoft Azure environment

## 7 CONTENT OF SUBMISSIONS – VERY IMPORTANT

- 7.1 Provide a proposal as per the scope of work above
- 7.2 Provide detailed pricing schedule and summarise same on SBD3.3 form.  
Failure to comply with submission disqualifies the submission
- 7.3 Provide a high level project plan clearly indicating milestones and project duration
- 7.4 Three (3) written, signed and verifiable letters of reference not older than 6 months where work and or services of similar nature was undertaken
- 7.5 Any additional service offering relevant to the scope of work
- 7.6 Proof of registration on the Central Supplier Database hosted by National Treasury
- 7.7 Fully completed and signed SBD 1; 4, 3.3, 6.1, 7.2; 8 and 9 forms.
- 7.8 Bidders to indicate if there will be any subcontracting and also indicate the percentage (%) on the SBD 6.1
- 7.9 Certified ID copies of all directors of the company
- 7.10 Certified copy of valid BBBEE certificate, CIPC BBBEE certificate or affidavit.  
BBBEE Certificate issued by CIPC will be verified with CIPC.

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- 7.11 The bidder must be a registered partner with the Software Vendor, failing which the bidder will be disqualified. Proof of such a valid and active registration must be provided.
- 7.12 In instances of a joint venture /consortium the Joint Venture Certificate must be included (indicating the percentage of duties for all companies in the joint venture). The consolidated joint venture B-BBEE Certificate must be submitted in order to claim points. However, for a subcontractor the B-BBEE certificate of both the contractor and subcontractor must be submitted.
- 7.13. Bidders must submit a certificate authorizing the bidder to protect information as prescribed in terms of the Protection of Personal Information Act.
- 7.14. Bidders must submit any other licences or certificates applicable to the services required authorizing bidders to provide such services.
- 7.15 Failure to submit the certificates/licences will result in the bid being disqualified.
- 7.16 Bidders who achieved the minimum functionality requirements in Phase 1 will proceed to Phase 2 being the Presentation Phase to deliver a presentation.

## 8 REQUIREMENTS

- 8.1 Bidder must have a minimum of ten (10) years experience in implementing and supporting Human Resource and Payroll systems (below 10 years will be disqualified). Five (5) years of which must be supported by reference letters x3 must be between 2015 and 2020 and link the requirement to the below:
- Name of client
  - Position
  - Contact telephone numbers
  - Work performed.
  - Dates when work performed.
  - Signed

**Note: Bidders who do not have ten (10) years experience will be disqualified.**

- 8.2 Bidder must reflect the respective project phases in the project plan in order to prioritise the implementation of the project as outlined on 6. 1 OUTCOMES AND DELIVERABLES

The project plan must clearly indicate the milestones and project duration as well as an implementation methodology.

### 8.3 Expertise and Capacity (Composition of Project Team)

The proposal should reflect levels of expertise and capacity in the deliverance of Service requirements by including the CV's, qualifications and certificates of the below team members.

- Team leader must possess a minimum of a Bachelor's Degree in Information Technology and at least ten (10) years experience in HR and Payroll systems implementation
- Team members (x2) must possess a minimum of a Bachelor's Degree in information technology and at least five (5) years experience in HR and Payroll systems Management.

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- Project Manager must possess a minimum of a Diploma in Project Management and at least ten (10) years experience in HR and Payroll systems implementation

## 9 SCORING GRID (PHASE 1)

No	Criteria		Score
1	<b>Years of experience</b> Bidder must have a minimum of five (5) years' experience in implementing and supporting Human Resource and Payroll systems.  Content supported by proof from three (3) reference letters must be between 2015 and 2020 as follows: Name of client •Position •Contact telephone numbers •Work performed. •Dates when work performed. •Signed	Five (5) years or more and three (3) reference letters between 2015-2020	10
		3-5 years and two (2) reference letters between 2015-2020	5
		Less than three (3) years and less than two (2) reference letters between 2015-2020	0
2	Project Plan and Methodology included in line with the implementation timeline phases indicated on <b>Section 6</b>  <b>NB:</b> Data migration from the existing system to the new system must be completed within two (2) months following implementation and the system must be operational two (2) months after the completion of the data migration.	Project Plan and Appropriate Methodology provided in line with implementation timeline phases on <b>Section 6</b>	10
		Project Plan or Appropriate Methodology provided not in line with with implementation timeline phases on <b>Section 6</b>	0
3	<b>Expertise and Capacity</b>		
3.1.	Project Manager must have at least ten (10) years experience in implementing and supporting Human Resource and Payroll systems	More than 10 years experience	10
		5 - 10 Years	5
		<3 Years	0
3.2.	Team leader must have at least ten (10) years experience implementing and supporting Human Resource and Payroll systems	More than ten (10) years experience	10
		5 – 10 Years	5
		<3 year	0
3.3.	Team Members must have at least five (5) years experience implementing and supporting Human Resource and Payroll systems.	More than 5 years experience	10
		3 – 5 Years	5
		<3 years	0
4.	<b>Qualifications</b>		
4.1.	Project Manager must have Diploma in Project Management	Diploma in Project Management	10
		No relevant Degree	0
4.2.	Team Leader must have a Bachelors degree in information technology	Bachelors degree in Information Technology	10
		No relevant Qualification	0
4.3.	Team Members must have a degree in Information Technology	Degree in Information Technology	10
		No relevant Qualification	0

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- 9.1. Bidders must achieve the minimum functionality requirements in Phase 1 will proceed to Phase 2 being the Presentation Phase to deliver a presentation which must include a demonstration on the extent to which the systems are intergrated.

## 10 SCORING GRID (PHASE 2)

### PRESENTATION SCORING

No	Requirement	Criteria	Score (Points)
1.	Demonstrate Recruitment module functions on proposed solution	Satisfactory	10
		Partially Satisfactory	5
		Unsatisfactory	0
2.	Demonstrate Integration capabilities of the proposed solutions payroll function with financial systems	Satisfactory	10
		Partially Satisfactory	5
		Unsatisfactory	0
3.	Demonstrate Performance Management module functions on proposed solution	Satisfactory	10
		Partially Satisfactory	5
		Unsatisfactory	0
4.	Demonstrate Recruitment module functions on proposed solution	Satisfactory	10
		Partially Satisfactory	5
		Unsatisfactory	0
5.	Demonstrate Leave Management capabilities on proposed solution	Satisfactory	10
		Partially Satisfactory	5
		Unsatisfactory	0
6.	Demonstrate reporting capabilities on proposed solution with standard reports and ability to provide/design custom reports	Satisfactory	10
		Partially Satisfactory	5
		Unsatisfactory	0
7.	Demonstrate the ability of the proposed solution(s) to be hosted on Azure cloud environment(This can be an architectural design showing potential or ability to operate within an Azure environment)	Satisfactory	10
		Partially Satisfactory	5
		Unsatisfactory	0

## 11 BUDGET (COST ESTIMATION)

The 80/20 evaluation criteria will be utilised. This evaluation criteria refers to 80% for Price and 20% for B-BBEE.

## 12 CLOSING DATE

The closing date for submissions to be considered for this project shall be **28 January 2022, 12:00 noon.**

## 13 PAYMENT TERMS

The merSETA undertakes to pay valid invoices in full within 30 (thirty) days from receipt of the correct invoice and for work done to its satisfaction upon presentation of a substantiated claim.

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The merSETA shall not pay for any unproductive or duplicated time spent by the Bidder on any assignment because of staff changes, inefficiencies, or rework.

#### 14 EVALUATION PROCESS.

All bids duly lodged will be evaluated on functionality and price. The evaluation criteria and weighting for measuring functionality are shown below:

Criterion	Weighting	Minimum thresholds
Years of experience	10%	5%
Project Plan and Methodology	30%	30%
Expertise and Capacity: Project Manager	10%	5%
Expertise and Capacity: Team leader	10%	5%
Expertise and Capacity: Team Members	10%	5%
Qualifications: Project Manager	10%	10%
Qualifications: Team Leader	10%	10%
Qualifications: Team Members	10%	10%
	<b>100%</b>	<b>80%</b>

The overall minimum threshold for functionality will be **80%** where all individual thresholds are adhered to.

Bidders exceeding the threshold shall proceed to the second phase of a presentation:

No	Criterion	Weighting	Minimum thresholds
1.	Demonstrate Recruitment module functions on proposed solution	10%	5%
2.	Demonstrate Integration capabilities of the proposed solutions payroll function with financial systems	10%	5%
3.	Demonstrate Performance Management module functions on proposed solution	15%	7.5%
4.	Demonstrate Recruitment module functions on proposed solution	10%	5%
5.	Demonstrate Leave Management capabilities on proposed solution	25%	12.5%
6.	Demonstrate reporting capabilities on proposed solution with standard reports and ability to provide/design custom reports	25%	12.5%
7.	Demonstrate the ability of the proposed solution(s) to be hosted on Azure cloud environment(This can be an architectural design showing potential or ability to operate within an Azure environment)	5%	2.5%
		<b>100%</b>	<b>50%</b>

The overall minimum threshold for presentation will be **50%** where all individual thresholds are adhered to.

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The evaluation of submitted bids will be conducted as follows:

Firstly, the bids will be evaluated for functionality based on the evaluation criteria and the minimum threshold as shown in the table above. Any bid that fails to meet the overall minimum threshold or has not received the minimum score for any individual component thresholds will be disqualified.

Thereafter, only the qualifying bids will be evaluated in terms of the 80/20 preference points system, where 80 points will be allocated to price only and 20 points will be allocated in line with the bidder's B-BBEE status level of contribution.

This will be carried out in accordance with the PPPF Act and as follows:

B-BBEE Status Level of Contributor	Number of Points
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

## 15 NOTES TO BIDDERS

This section outlines basic requirements that must be met. Failure to accept these conditions or part thereof will result in your proposal being excluded from the evaluation process.

- 15.1 Short listed Bidders may be invited to present and discuss details of their proposals
- 15.2 Bidders should complete the merSETA tender documents; Vendor Application Forms; SBD 1; 3.3; 4; 6.1;7.2;8 and 9 forms before their submissions will be considered.
- 15.3 Tender documents should be presented to merSETA marked "**Tender merSETA Payroll and HR System – ICT/2021/017**".
- 15.4 The merSETA will not be liable to reimburse any costs incurred by the bidder during the tender process
- 15.5 Bidders should identify any work they are currently carrying out or competing for which could cause a conflict of interest, and indicate how such a conflict would be avoided.

## 16 GENERAL

- 16.1 Bidders should complete the submission register at the security then deposit their documents into the tender box available at Ground Floor Reception on or before 28 January 2022, 12:00 noon at the address below;

Tender Box  
merSETA Head Office  
95, 7<sup>th</sup> Avenue Corner Rustenburg Road  
Melville  
Johannesburg  
2109

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- 16.2 Any tender document not deposited in the marked tender box will not be considered
- 16.3 Any tender document received after the closing date and time will not be considered.
- 16.4 Two (2) bound and one (1) unbound hard copies of the proposal must be submitted.
- 16.5 All correspondence to bidders will be in writing.
- 16.6 Bidders may attend the opening of the tender box on the closing date.
- 16.7 Late submissions will not be considered for this tender.

## 17 DISCLAIMER

The merSETA reserves the right not to appoint a bidder for this tender. The merSETA further reserves the right to split the tender with more than one bidder or award a portion of this tender to other bidders.

The merSETA shall rescind a bid award or contract should a bidder be found to have violated Supply Chain Practices.

The merSETA does not bind itself to accept the lowest tender.

Approved by:



Name:

Mr. Naphtaly Mokgotsane

Contact Person:

Deslynn Lucas

Email to:

[tenders@merseta.org.za](mailto:tenders@merseta.org.za)



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**PART A  
INVITATION TO BID**

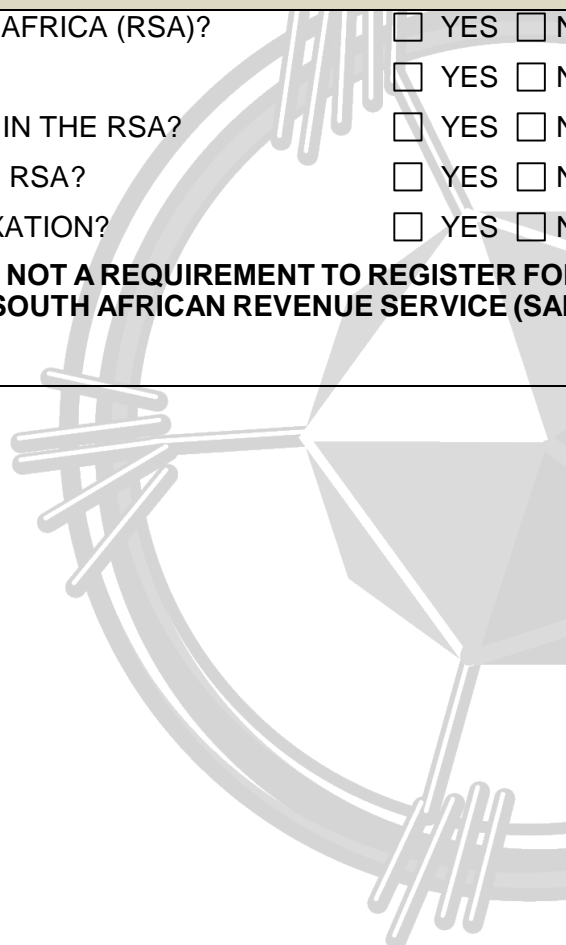
<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)</b>					
BID NUMBER:		CLOSING DATE:		CLOSING TIME:	
DESCRIPTION					
<b>BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)</b>					
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO</b>			<b>TECHNICAL ENQUIRIES MAY BE DIRECTED TO:</b>		
CONTACT PERSON			CONTACT PERSON		
TELEPHONE NUMBER			TELEPHONE NUMBER		
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS			E-MAIL ADDRESS		
<b>SUPPLIER INFORMATION</b>					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b>					

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Review: Senior Manager: Supply Chain & Contracts Management		Approved: CEO	

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3 ]
---	--	--	--

**QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS**

IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO
DOES THE ENTITY HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	<input type="checkbox"/> YES <input type="checkbox"/> NO
<b>IF THE ANSWER IS “NO” TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.</b>	



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## PART B TERMS AND CONDITIONS FOR BIDDING

### 1. BID SUBMISSION:

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED—(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.**
- 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
- 1.4. **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**

### 2. TAX COMPLIANCE REQUIREMENTS

- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE [WWW.SARS.GOV.ZA](http://WWW.SARS.GOV.ZA).
- 2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
- 2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
- 2.6 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
- 2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

**NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.**

SIGNATURE OF BIDDER: .....

CAPACITY UNDER WHICH THIS BID IS SIGNED: .....  
(Proof of authority must be submitted e.g. company resolution)

DATE: .....

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**PRICING SCHEDULE**  
**(Professional Services)**

NAME OF BIDDER: ..... BID NO: .....

CLOSING TIME..... CLOSING DATE.....

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

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)	
1.	The accompanying information must be used for the formulation of proposals.		
2.	Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project. R.....		
3.	PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)		
4.	PERSON AND POSITION	HOURLY RATE	DAILY RATE
	.....	R.....	.....
	.....	R.....	.....
	.....	R.....	.....
	.....	R.....	.....
	.....	R.....	.....
5.	PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT		
	.....	R.....	.....days
	.....	R.....	.....days
	.....	R.....	.....days
	.....	R.....	.....days

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Review: CFO		Approved: CEO	



Name of Bidder: .....

- 5.1 Travel expenses (specify, for example rate/km and total km, class of airtravel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
.....	.....	.....	R.....
.....	.....	.....	R.....
.....	.....	.....	R.....
.....	.....	.....	R.....
TOTAL: R.....			

\*\* "all applicable taxes" includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.

- 5.2 Other expenses, for example accommodation (specify, eg. Three star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
.....	.....	.....	R.....
.....	.....	.....	R.....
.....	.....	.....	R.....
.....	.....	.....	R.....
TOTAL: R.....			

6. Period required for commencement with project after acceptance of bid.....
7. Estimated man-days for completion of project.....
8. Are the rates quoted firm for the full period of contract? \*YES/NO
9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.....
- .....

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Name of Bidder: .....

\*[DELETE IF NOT APPLICABLE]

Any enquiries regarding bidding procedures may be directed to the –

(INSERT NAME AND ADDRESS OF DEPARTMENT/ENTITY)

Tel:

Or for technical information –

(INSERT NAME OF CONTACT PERSON):

Tel:



Document Title	<b>Pricing Schedule (Professional Services SBD 3.3)</b>		
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**DECLARATION OF INTEREST**

1. Any legal person, including persons employed by the state<sup>1</sup>, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes an advertised competitive bid, a limited bid, a proposal or written price quotation). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-

- the bidder is employed by the state; and/or
- the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

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

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

2.2 Identity Number:.....

2.3 Position occupied in the Company (director, trustee, shareholder<sup>2</sup>, member):  
.....

2.4 Registration number of company, enterprise, close corporation, partnership agreement or trust:  
.....

2.5 Tax Reference Number: .....

2.6 VAT Registration Number: .....

2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / PERSAL numbers must be indicated in paragraph 3 below.

<sup>1</sup>"State" means –

- (a) any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (b) any municipality or municipal entity;
- (c) provincial legislature;
- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.

<sup>2</sup>"Shareholder" means a person who owns shares in the company and is actively involved in the management of the enterprise or business and exercises control over the enterprise.

Document Title	Declaration Of Interest (SBD 4)		
Document Number	FIN-FM-025	Date Compiled	24 March 2011
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Revision Number	Rev 02	Access	Controlled
Review: CFO		Approved: CEO	

2.7 Are you or any person connected with the bidder presently employed by the state? **YES / NO**

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member: .....

Name of state institution at which you or the person connected to the bidder is employed : .....

Position occupied in the state institution: .....

Any other particulars:

.....  
.....  
.....

2.7.2 If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector?

**YES / NO**

2.7.2.1 If yes, did you attach proof of such authority to the bid document?

**YES / NO**

(Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.

2.7.2.2 If no, furnish reasons for non-submission of such proof:

.....  
.....  
.....

2.8 Did you or your spouse, or any of the company's directors / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months?

**YES / NO**

2.8.1 If so, furnish particulars:

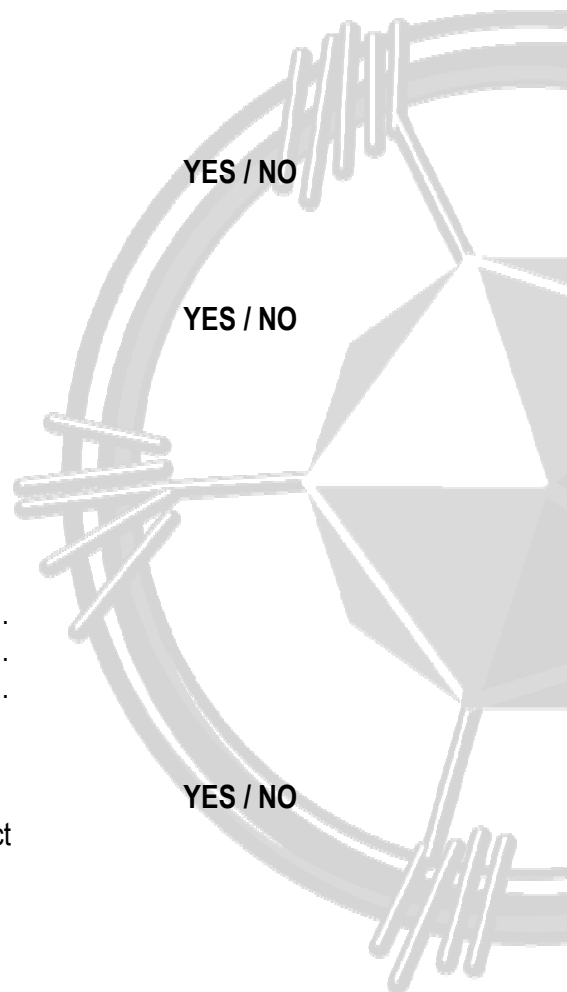
.....  
.....  
.....

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid?

**YES / NO**

2.9.1 If so, furnish particulars.

.....  
.....  
.....



Document Title	<b>Declaration Of Interest (SBD 4)</b>		
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2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid?

YES/NO

2.10.1 If so, furnish particulars.

.....  
 .....  
 .....

2.11 Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract?

YES/NO

2.11.1 If so, furnish particulars:

.....  
 .....  
 .....

### 3 Full details of directors / trustees / members / shareholders.

Full Name	Identity Number	Personal Tax Number	Income Reference	State Employee Number / Persal Number

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#### 4 DECLARATION

I, THE UNDERSIGNED (NAME).....

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT.  
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME SHOULD THIS  
DECLARATION PROVE TO BE FALSE.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of bidder



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## PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

**NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.**

### 1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all bids:

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2 a) The value of this bid is estimated to ~~exceed/not exceed~~ R50 000 000 (all applicable taxes included) and therefore the ..... preference point system shall be applicable; or

b) Either the 80/20 or 90/10 preference point system will be applicable to this tender (*delete whichever is not applicable for this tender*).

1.3 Points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contributor.

1.4 The maximum points for this bid are allocated as follows:

	POINTS
<b>PRICE</b>	
<b>B-BBEE STATUS LEVEL OF CONTRIBUTOR</b>	
<b>Total points for Price and B-BBEE must not exceed</b>	<b>100</b>

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

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Document Number	FIN-FM-026	Date Compiled	24 March 2011
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Review: CFO		Approved: CEO	

## 2. DEFINITIONS

- (a) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
  - 1) B-BBEE Status level certificate issued by an authorized body or person;
  - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
  - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

## 3. POINTS AWARDED FOR PRICE

### 3.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

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

$$P_s = 80 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right) \quad \text{or} \quad P_s = 90 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

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

Where

$P_s$  = Points scored for price of bid under consideration

$P_t$  = Price of bid under consideration

$P_{\min}$  = Price of lowest acceptable bid

## 4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

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- 4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

## 5. BID DECLARATION

- 5.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

## 6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

- 6.1 B-BBEE Status Level of Contributor. = .....(maximum of 10 or 20 points)  
(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.)

## 7. SUB-CONTRACTING

- 7.1 Will any portion of the contract be sub-contracted?

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

- 7.1.1 If yes, indicate:

- What percentage of the contract will be subcontracted.....%
- The name of the sub-contractor.....
- The B-BBEE status level of the sub-contractor.....
- Whether the sub-contractor is an EME or QSE

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

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v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations, 2017:

Designated Group: An EME or QSE which is at least 51% owned by:	EME √	QSE √
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
<b>OR</b>		
Any EME		
Any QSE		

## 8. DECLARATION WITH REGARD TO COMPANY/FIRM

8.1 Name of company/firm:.....

8.2 VAT number:.....

8.3 Company registration number:.....

8.4 TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
- ☐ One person business/sole propriety
- ☐ Close corporation
- ☐ Company
- ☐ (Pty) Limited

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

.....

.....

8.6 COMPANY CLASSIFICATION

- ☐ Manufacturer
- ☐ Supplier
- ☐ Professional service provider
- ☐ Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

8.7 Total number of years the company/firm has been in business:.....

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8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
  - (a) disqualify the person from the bidding process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audialterampartem* (hear the other side) rule has been applied; and
  - (e) forward the matter for criminal prosecution.

WITNESSES

1. ....
2. ....

.....  
SIGNATURE(S) OF BIDDERS(S)

DATE: .....

ADDRESS .....

.....

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**CONTRACT FORM - RENDERING OF SERVICES**

**THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SERVICE PROVIDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SERVICE PROVIDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.**

**PART 1 (TO BE FILLED IN BY THE SERVICE PROVIDER)**

1. I hereby undertake to render services described in the attached bidding documents to (name of the institution)..... in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid .
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
  - (i) Bidding documents, viz
    - Invitation to bid;
    - Tax clearance certificate;
    - Pricing schedule(s);
    - Filled in task directive/proposal;
    - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
    - Declaration of interest;
    - Declaration of bidder's past SCM practices;
    - Certificate of Independent Bid Determination;
    - Special Conditions of Contract;
  - (ii) General Conditions of Contract; and
  - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.

Document Title	<b>Contract Form Rendering of Services (SBD 7.2)</b>		
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Review: CFO		Approved: CEO	



6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT) .....

CAPACITY .....

SIGNATURE .....

NAME OF FIRM .....

DATE .....

WITNESSES

1 .....

2 .....

DATE: .....

**SBD 7.2**

**CONTRACT FORM - RENDERING OF SERVICES**

**PART 2 (TO BE FILLED IN BY THE PURCHASER)**

1. I..... in my capacity as.....  
accept your bid under reference number .....dated.....for the rendering of services  
indicated hereunder and/or further specified in the annexure(s).
2. An official order indicating service delivery instructions is forthcoming.
3. I undertake to make payment for the services rendered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice.

DESCRIPTION OF SERVICE	PRICE (ALL APPLICABLE TAXES INCLUDED)	COMPLETION DATE	B-BBEE STATUS LEVEL OF CONTRIBUTION	MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)

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4. I confirm that I am duly authorised to sign this contract.

SIGNED AT .....ON.....

NAME (PRINT) .....

SIGNATURE .....

OFFICIAL STAMP

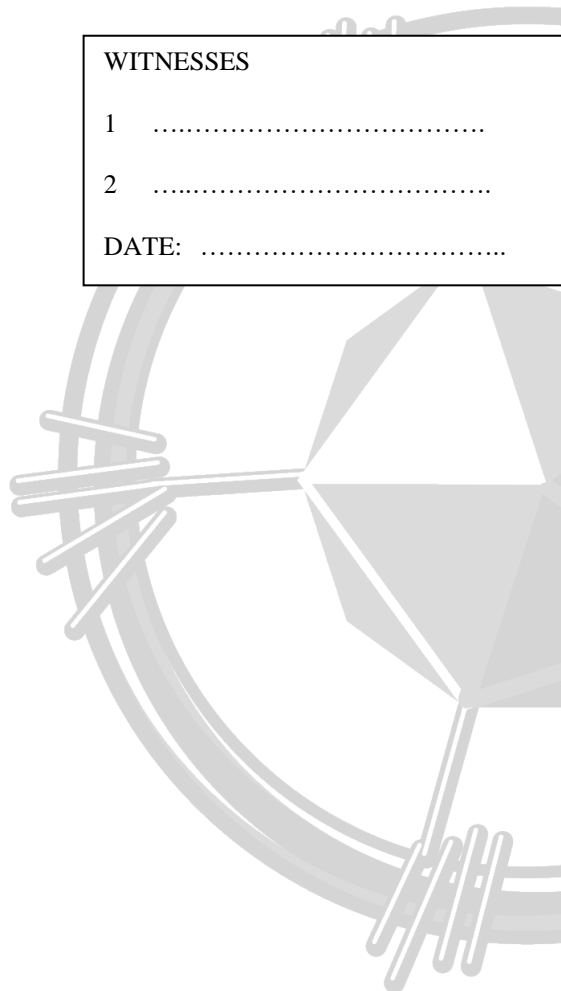
A large, empty rectangular box with a thin black border, intended for an official stamp.

WITNESSES

1 .....

2 .....

DATE: .....



Document Title	Contract Form of Rendering Services (SBD 7.2)		
Document Number	FIN-FM-033	Date Compiled	09 February 2012
Page Number	Page 3 of 3	*Last Revision Date	
Revision Number	Rev 00	Access	Controlled

## DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Standard Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by institutions in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be disregarded if that bidder, or any of its directors have-
  - a. abused the institution's supply chain management system;
  - b. committed fraud or any other improper conduct in relation to such system; or
  - c. failed to perform on any previous contract.
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector? <b>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</b>  The Database of Restricted Suppliers now resides on the National Treasury's website( <a href="http://www.treasury.gov.za">www.treasury.gov.za</a> ) and can be accessed by clicking on its link at the bottom of the home page.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? <b>The Register for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
Document Title	Declaration Of Bidder's Past Supply Chain Management Practices (SBD 8)		
Document Number	FIN-FM-027	Date Compiled	24 March 2011
Page Number	Page 1 of 2	*Last Revision Date	09 February 2012
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4.4	Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		

### CERTIFICATION

I, THE UNDERSIGNED (FULL NAME).....

**CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS TRUE AND CORRECT.**

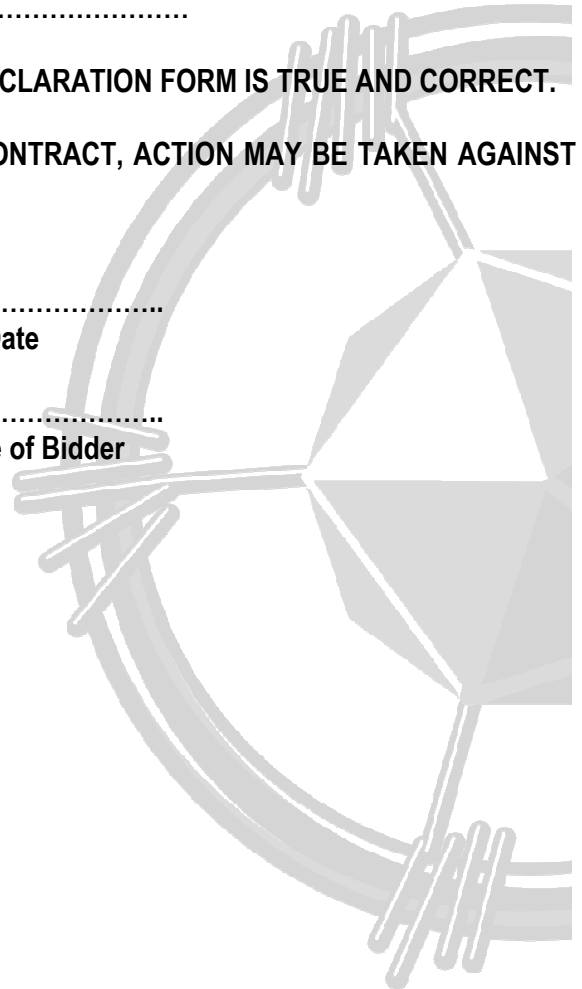
**I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.**

.....  
**Signature**

.....  
**Date**

.....  
**Position**

.....  
**Name of Bidder**



Document Title	Declaration Of Bidder's Past Supply Chain Management Practices (SBD 8)		
Document Number	FIN-FM-027	Date Compiled	24 March 2011
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SBD 9

## CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Standard Bidding Document (SBD) must form part of all bids<sup>1</sup> invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).<sup>2</sup> Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
  - a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
  - b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
- 4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

<sup>1</sup> Includes price quotations, advertised competitive bids, limited bids and proposals.

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

Document Title	Certificate Of Independent Bid Determination (SBD 9)		
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<sup>3</sup> 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.

### CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

\_\_\_\_\_  
(Bid Number and Description)

in response to the invitation for the bid made by:

\_\_\_\_\_  
(Name of Institution)

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

I certify, on behalf of: \_\_\_\_\_ that:

\_\_\_\_\_  
(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
  - (a) has been requested to submit a bid in response to this bid invitation;
  - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive bidding.

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**\*The document with the latest revision date is the current official**



6. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
- (a) prices;
  - (b) geographical area where product or service will be rendered (market allocation)
  - (c) methods, factors or formulas used to calculate prices;
  - (d) the intention or decision to submit or not to submit, a bid;
  - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
  - (f) bidding with the intention not to win the bid.
7. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
8. 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.
10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder

Document Title	Certificate Of Independent Determination (SBD 9)		
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## VENDOR APPLICATION FORM

**[For professional services please completed this document in conjunction with  
merSETA professional services database questionnaire]**

All corporates, trusts; franchises; companies etc must complete PART 1; PART 2 - Section B;  
PART 3 & PART 4

All Individuals and partnership must complete PART 1; PART 2 - Section A; PART 3 & PART 4

### **PART 1:**

Title (Prof. / Dr / Mr / Mrs / Ms/) and Surname : \_\_\_\_\_  
(*If one-man concern*)

'Trading as' name of business: \_\_\_\_\_  
(*Contracts and orders will be made in this name and invoices must reflect it*)

Registered name of business: \_\_\_\_\_

Physical address of business:

Building / complex name: \_\_\_\_\_

Street name and number : \_\_\_\_\_

Suburb : \_\_\_\_\_ City : \_\_\_\_\_

Code: \_\_\_\_\_

Postal address of business:

Postnet address: \_\_\_\_\_

P O Box / Private Bag : \_\_\_\_\_ City/Town: \_\_\_\_\_ Code: \_\_\_\_\_

Telephone numbers of business: Code: \_\_\_\_\_ Number: \_\_\_\_\_

Alternative number of business: Code: \_\_\_\_\_ Number: \_\_\_\_\_

Contact person fax number: Code: \_\_\_\_\_ Number: \_\_\_\_\_

(*Used by merSETA for electronic faxing of Request for Quotations, Contracts and Purchase orders*)

Business e-mail : \_\_\_\_\_

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## PART 2: TAXATION

Business Registration number (if applicable) \_\_\_\_\_  
(in case of one-man concern, please furnish identity number plus copy of identity documents)

### Section A: Individuals / Partnerships

Please answer the questions by marking the appropriate column with an "X".  
Please do not leave out any question relating to your specific circumstances.

<b>Supplier Name:</b>	
<b>Natural Persons:</b>	
<b>Nationality:</b>	
<b>Income Tax reference number:</b>	
<b>Date of birth:</b>	
<b>If not a citizen of the RSA, furnish a certified copy of a work permit:</b>	
<b>If in possession of a tax directive, furnish a certified copy thereof:</b>	

Question	Yes	No
1. Do you supply services on behalf of a Labour Broker?		
2. Are you subject to the control or supervision of Merseta? Including, but not limited to, the following: <ul style="list-style-type: none"><li>• The manner of duties performed;</li><li>• The hours of work;</li><li>• The quality of work.</li></ul>		
3. Are you paid at regular intervals i.e. daily, weekly, monthly etc? (If the payments are made at regular intervals or by a rate per time period)		
4. Will payment to you include any benefits? Including, but not limited to, the following: <ul style="list-style-type: none"><li>• Leave pay;</li><li>• Medical aid;</li><li>• Training;</li><li>• Sick Leave.</li></ul>		
5. Will, or have you be/been in the full time employment of Merseta?		
6. Will you require of Merseta to provide any equipment, tools, materials or office space, in order to fulfil the contract?		
7. Do you supply these, or similar, services only to Merseta and not to any other client or the general public?		
8. Will you be required to work more than 22 hours per week?		
8.1 If "yes", will payment be made on an hourly, daily or weekly basis?		
8.2.1 Will you work solely for Merseta?		
8.2.2 Will you provide a written statement to this effect?		
8.2.3 How much will you be paid per day?		
<b>Non-Residents of the RSA</b>		
9. Will you return to your jurisdiction of residence upon the termination of the contract?		
10. Is the contract to exceed a period of three years?		

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Question		Yes	No
11.	Will you be returning to the jurisdiction of residence during the course of the contract? If so, for what periods of time?		
12.	Is your employer resident in the Republic of South Africa or does a permanent establishment or branch represent the employer in the Republic?		
13.	If a permanent establishment or branch represents the employer in the Republic, will your salary be paid from such permanent establishment or branch?		
14.	Will you be required to perform any work outside of the Republic?		
15.	Do you agree to submit copies of your passport should Merseta, so require?		

## Section B: Companies, CC's; Trusts etc

Please answer the questions by marking the appropriate column with an "X".  
Please do not leave out any question relating to your specific circumstances.

<b>Supplier Name:</b>	
<b>Nature of legal entity:</b>	
<b>Date of incorporation:</b>	

Question		Yes	No
1.	Are you a "Labour Broker" i.e. do you provide payment for supplying Merseta with a person/s? If so, furnish a certified copy of an IRP30, which is valid for the period of the contract		
2.	Is the service to be rendered personally by any person, who is a connected person, in relation to the entity? (For example a shareholder, member or their direct family)		
3.	Do you employ four or more employees on a full time basis throughout the year, excluding connected parties? If so, are these employees engaged in rendering the service to Merseta? (For example secretarial employees would NOT be so engaged)		
4.	Would you be regarded as an employee of Merseta if the service was rendered by the person directly to Merseta, other than on behalf of the contractor?		
5.	Do you, the Company, Close Corporation or Trust receive any form of training supplied or paid for by Merseta? If "yes", please specify the nature and extent of the training:		
6.	Are you, the Company Close Corporation or Trust free to choose which tools or equipment, or staff, or raw materials, or routines, patents and technology to use in performing your main duties?		
7.	In order to perform your main duties, do you, or does such a person, Company, Close Corporation or Trust, use any tools or equipment supplied or paid for by Merseta? If "yes", please state the nature thereof:		
8.	Are you subject to the control or supervision of Merseta, as to the manner in which, or hours during which, the duties are performed or are to be performed in rendering the service?		
9.	Will the amounts paid or payable in respect of the service consist of, or include, earnings of any description, which are payable at regular daily, weekly, monthly, or other intervals?		
10.	Will more than 80% of your income, during the year of assessment, from services rendered, consist of or be likely to consist of amounts received directly or indirectly from <b>any one client</b> , or any associated institution, in relation to the client?		
11.	Does your contract contain any elements of an employment contract? [i.e. Job titles, reporting structure in organisation, fixed working hours, employment benefits, performance bonuses (excluding bonus and penalties for early or late delivery)]		
12.	Does your contract contain any clause that will enable you to receive payment, even if no work was done?		
13.	Have you ever been classified as a Labour Broker or personal services company		

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Question		Yes	No
	(including Close Corporation and Trust) by SARS or any other client?		
14.	If the answer to question 13 was "yes", did anything change that no longer classifies you as a labour broker or personal services company? If "yes", elaborate:		

### PART 3: OWNERSHIP

1. Please tick the appropriate block:

- Turnover

Less than or equal to R 25m	
Greater than R 25m	

2. Please indicate the existence and extent of any Internal Black Empowerment Programmes.  
*Details of such programmes may be annexed.*


3. Please complete each of the following tables by stating the number of people in each category:

- Ownership / Control

	African	Asian	Coloured	White
Male				
Female				
<b>TOTAL</b>				
Disabled				

- Management

	African	Asian	Coloured	White
Male				
Female				
<b>TOTAL</b>				
Disabled				

- Total staff profile

	African	Asian	Coloured	White
Male				
Female				
<b>TOTAL</b>				
Disabled				

- Skilled personnel

	African	Asian	Coloured	White
Male				

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Female				
TOTAL				
Disabled				

Previous name(s) of business (if applicable) \_\_\_\_\_

List of directors / owners / partners: Attach your own list if the space provided is inadequate

1. Name: \_\_\_\_\_

Position: \_\_\_\_\_ % Shareholding : \_\_\_\_\_

Identity Number \_\_\_\_\_ Nationality \_\_\_\_\_

2. Name: \_\_\_\_\_

Position: \_\_\_\_\_ % Shareholding : \_\_\_\_\_

Identity Number \_\_\_\_\_ Nationality \_\_\_\_\_

3. Name: \_\_\_\_\_

Position: \_\_\_\_\_ % Shareholding : \_\_\_\_\_

Identity Number \_\_\_\_\_ Nationality \_\_\_\_\_

4. Name: \_\_\_\_\_

Position: \_\_\_\_\_ % Shareholding : \_\_\_\_\_

Identity Number \_\_\_\_\_ Nationality \_\_\_\_\_

Are any of your directors/owners employed by merSETA? Please mention also whether your directors / owners / partners are ex-merSETA staff. Close relatives of your directors / owners with merSETA staff to be declared as well.

## PART 4: SUPPLIER PROFILE

List all your products / services your business can supply to merSETA.  
Attach separate list if space provided is not enough

Name 3 commercial references/referees of previous projects and provide their name(s) and telephone number(s):

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Does your business operate a Quality Management System covering the product/service applying for? (y/n) _____ Please elaborate: <div style="border-bottom: 1px solid black; margin-top: 5px; width: 90%;"></div> <div style="border-bottom: 1px solid black; margin-top: 5px; width: 90%;"></div> <div style="border-bottom: 1px solid black; margin-top: 5px; width: 90%;"></div>

## PART 5:REQUIRED DOCUMENTS

**merSETA reserves the right to verify and /or follow-up on any of the claims made or references in this application form. Based on Treasury regulations merSETA will check any claims made in this submission.**

This original signed vendor form must be accompanied with certified copies of the following documents below and must be included in your application:

- ✓ Copy of Company Registration Documents (Issued by the Registrar of Companies & Close Corporation)
- ✓ Attach an original cancelled cheque alternatively an original bank statement
- ✓ Current valid TAX clearance certificate
- ✓ Any other registration certificate pertaining to your relevant industry, e.g. ECB (Electrical Contractors Board)
- ✓ Company Organogram, showing your Holding and Subsidiary company(s), as well as operating divisions. Indicate ownership / shareholding that this company holds in any other company/ies.
- ✓ SBD 4
- ✓ SBD 6.1
- ✓ SBD 9
- ✓ Company letter confirming bank details (must be signed)

**Incomplete submissions will not be processed. This includes submission without the supporting documentation as stipulated above, in part 5:**

**I certify that I have the appropriate authority to furnish the above-mentioned information on behalf of my employer.**

Name:	Signature:
Designation:	Date:

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**GOVERNMENT PROCUREMENT**

**GENERAL CONDITIONS OF CONTRACT**

**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.

## **TABLE OF CLAUSES**

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Contract amendments
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Dumping and countervailing duties
25. Force Majeure
26. Termination for insolvency
27. Settlement of disputes
28. Limitation of liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. National Industrial Participation Programme (NIPP)

## **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.

- |  |  |
|--|--|
| <b>2. Application</b>  | <p>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.</p> <p>2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.</p> <p>2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.</p>   |
| <b>3. General</b>  | <p>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.</p> <p>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 <a href="http://www.treasury.gov.za">www.treasury.gov.za</a></p>  |
| <b>4. Standards</b>  | <p>4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.</p>  |
| <b>5. Use of contract documents and information; inspection.</b> | <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> |
| <b>6. Patent rights</b>  | <p>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.</p>   |
| <b>7. Performance security</b>                                   | <p>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.</p>   |

- 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.

<b>16. Payment</b>	<p>16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.</p> <p>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.</p> <p>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.</p> <p>16.4 Payment will be made in Rand unless otherwise stipulated in SCC.</p>
<b>17. Prices</b>	<p>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.</p>
<b>18. Contract amendments</b>	<p>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.</p>
<b>19. Assignment</b>	<p>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.</p>
<b>20. Subcontracts</b>	<p>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.</p>
<b>21. Delays in the supplier's performance</b>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>

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.
<b>29. Governing language</b>	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.
<b>30. Applicable law</b>	30.1	The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
<b>31. Notices</b>	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.
<b>32. Taxes and duties</b>	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.
<b>33. National Industrial Participation Programme (NIP)</b>	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.