



**KWAZULU-NATAL PROVINCE**  
**TREASURY**  
REPUBLIC OF SOUTH AFRICA

Private Bag X3613, Pietermaritzburg, 3200  
Treasury House, 145 Chief Albert Luthuli Street, Pietermaritzburg,  
3200

CFO: SCM

**KWAZULU-NATAL PROVINCIAL TREASURY**

**BID NUMBER: ZNT 1231/2021-F**

**BID DESCRIPTION: APPOINTMENT OF A PANEL OF SERVICE PROVIDERS TO ASSIST THE KWAZULU-NATAL PROVINCIAL TREASURY TO PROVIDE SUPPORT TO DEPARTMENTS, PUBLIC ENTITIES, MUNICIPALITIES, AND MUNICIPAL ENTITIES TO ENSURE IMPROVED SERVICE DELIVERY AND QUICKER TURNAROUND TIMES IN THE CONTRACT MANAGEMENT.**

**DEPARTMENT OF KWAZULU-NATAL PROVINCIAL TREASURY**

PO Box 3613

Pietermaritzburg

3201

**Contact: Nosiphiwe Khuzwayo**

**Telephone: 033 897 0458**

**Email: [nosiphiwe.khuzwayo@kzntreasury.gov.za](mailto:nosiphiwe.khuzwayo@kzntreasury.gov.za)**

***PLEASE NOTE THAT THIS BID IS SUBJECT TO SUPPLY CHAIN MANAGEMENT LEGISLATION AND THE GENERAL CONDITIONS OF CONTRACT AS PRESCRIBED BY NATIONAL TREASURY.***

**TABLE OF CONTENTS**  
**DOCUMENTATION TO BE SUBMITTED WITH BID**

**ANNEXURE A: STANDARD BID DOCUMENT**

**Section A**

**Part A:** Invitation to Bid (**SBD 1**)

**Part B:** Terms and Conditions for Bid

**Section B** Notice to Bidders regarding the completion of forms

**Section C** List of all Returnable & Compulsory Documents

**Section D** Registration on the National Treasury Central Suppliers Database

**Section E** Declaration of Interest

**Section F** Preference Points Claim Form In terms of the Preferential Procurement Regulations 2017.

**Section G** Special Conditions of Contract

**Section H** Official Briefing Session

**Section I** Declaration Certificate for Local Production & Content

**Section J** Authority to Sign a bid

**Section K** Conditions of bid

**Section L** Declaration of Bidder's Past Supply Chain Management Practices

**Section M** Schedule variations from Goods or Services information

**Section N** Certificate of Independent Bid Determination

**Annexure A General Condition of contract**

**Annexure B Terms of Reference**

**SECTION A  
PART A  
INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE KZN PROVINCIAL TREASURY					
BID NUMBER:	<b>ZNT 1231/2021-F</b>	CLOSING DATE:	<b>13 September 2021</b>	CLOSING TIME:	<b>11:00</b>
DESCRIPTION	<b>Appointment of a panel of service providers to assist the KwaZulu-Natal Provincial Treasury to provide support to departments, public entities, municipalities, and municipal entities to ensure improved service delivery and quicker turnaround times in the Contract Management.</b>				
<b>BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT:</b>					
<b>GROUND FLOOR FOYER</b>					
The Head: KwaZulu-Natal Provincial Treasury 145 Chief Albert Luthuli Road Pietermaritzburg 3201					
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO</b>			<b>TECHNICAL ENQUIRIES MAY BE DIRECTED TO:</b>		
CONTACT PERSON	Ms Thandeka Makhathini/Nosiphiwe Khuzwayo		CONTACT PERSON	Ms Nomzamo Kubheka	
TELEPHONE NUMBER	033 897 4440/0458		TELEPHONE NUMBER	033 897 4407	
FACSIMILE NUMBER	N/A		FACSIMILE NUMBER		
E-MAIL ADDRESS	<a href="mailto:thandeka.makhathini@kzntreasury.gov.za">thandeka.makhathini@kzntreasury.gov.za</a> <a href="mailto:nosiphiwe.khuzwayo@kzntreasury.gov.za">nosiphiwe.khuzwayo@kzntreasury.gov.za</a>		E-MAIL ADDRESS	<a href="mailto:nomzamo.kubheka@kzntreasury.gov.za">nomzamo.kubheka@kzntreasury.gov.za</a>	
<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>					

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 THE QUESTIONNAIRE BELOW ]
---	--	--	---

**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>	

**PART B**

**TERMS AND CONDITIONS FOR BIDDING**

<p><b>1. BID SUBMISSION:</b></p>
<p>1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.</p>
<p>1.2. <b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.</b></p>
<p>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.</p>
<p>1.4. <b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</b></p>
<p><b>2. TAX COMPLIANCE REQUIREMENTS</b></p>
<p>2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p>
<p>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.</p>
<p>2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE <a href="http://WWW.SARS.GOV.ZA">WWW.SARS.GOV.ZA</a>.</p>
<p>2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.</p>
<p>2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.</p>
<p>2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.</p>
<p>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."</p>

**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: .....

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

## SECTION B

### NOTICES TO BIDDERS REGARDING THE COMPLETION OF FORMS

PLEASE NOTE THAT THIS BID IS SUBJECT TO TREASURY REGULATIONS 16A ISSUED IN TERMS OF THE PUBLIC FINANCE MANAGEMENT ACT, 1999, THE KWAZULU-NATAL SUPPLY CHAIN MANAGEMENT POLICY FRAMEWORK AND THE GENERAL CONDITIONS OF CONTRACT.

1. Unless inconsistent with or expressly indicated otherwise by the context, the singular shall include the plural and visa versa and with words importing the masculine gender shall include the feminine and the neuter.
2. Under no circumstances whatsoever may the bid forms be retyped or redrafted. Photocopies of the original bid documentation may be used, but an original signature must appear on such photocopies.
3. The Bidder is advised to check the number of pages and to satisfy himself that none are missing or duplicated.
4. Bids submitted must be complete in all respects.
5. Bids shall be lodged at the address indicated not later than the closing time specified for their receipt, and in accordance with the directives in the bid documents.
6. Each bid shall be addressed in accordance with the directives in the BID documents and shall be lodged in a separate sealed envelope, with the name and address of the Bidder, the bid number and closing date indicated on the envelope. The envelope shall not contain documents relating to any bid other than that shown on the envelope. If this provision is not complied with, such bids may be rejected as being invalid.
7. All BIDs received in sealed envelopes with the relevant bid numbers on the envelopes are kept unopened in safe custody until the closing time of the bids. Where, however, a bid is received open, it shall be sealed. If it is received without a bid number on the envelope, it shall be opened, the bid number ascertained, the envelope sealed and the bid number written on the envelope.
8. A specific box is provided for the receipt of bids, and no bid found in any other box or elsewhere subsequent to the closing date and time of bid will be considered.
9. No bid sent through the post will be considered if it is received after the closing date and time stipulated in the BID documentation, and proof of posting will not be accepted as proof of delivery.
10. No bid submitted by telefax, telegraphic or other electronic means will be considered.
11. Bids documents must not be included in packages containing samples. Such BIDs may be rejected as being invalid.
12. Any alteration made by the Bidder must be initialled.
13. Use of correcting fluid is prohibited
14. Bids will be opened in public as soon as practicable after the closing time of bid.
15. Where practical, prices are made public at the time of opening bids.
16. If it is desired to make more than one offer against any individual item, such offers should be given on a photocopy of the page in question. Clear indication thereof must be stated on the schedules attached.
17. The bidder must initial each and every page of the bid document.

**SECTION C**

**LIST OF ALL RETURNABLE & COMPULSORY DOCUMENTS**

The bidder shall complete and submit the following returnable schedules and documents:

Section/ Schedule	Description	Compulsory (Yes / No)	Non- Submission will render bidders non- responsive (Yes/No)	Compulsory (Yes / No) For BID Evaluation Purposes	Yes	No	N/A
<b>Prospective Service Providers MUST complete the following as per the BID document:</b>							
Section A	Invitation to Bid	Yes	Yes				
	Terms and conditions for bidding	Yes	Yes				
Section B	Notice to bidders regarding the completion of forms	Read Only					
Section C	List of all Returnable & Compulsory	Yes	Yes				
Section D	Registration on National Treasury Central Suppliers Database.	Yes	Yes				
Section E	Declaration of interest – Completed and signed.	Yes	Yes				
Section F	Preference Points Claim Form In terms of the Preferential Procurement Regulations 2017.	Yes	Yes				
Section G	Special Conditions of Contract	Read Only					
Section H	Briefing Session/Site Inspection Certificate - Confirmation of attending briefing session	No	No				

Section/ Schedule	Description	Compulsory (Yes / No)	Non- Submission will render bidders non- responsive (Yes/No)	Compulsory (Yes / No) For BID Evaluation Purposes	Yes	No	N/A
Section I	Declaration Certificate for Local Production and Content.	Not Applicable	Not Applicable				
Section J	<b>Authority to Sign a BID</b>						
	Part A – Companies – Completed, Signed and Certified copy of <b>resolution personally</b> signed by the chairperson of board of directors attached	<b>Yes If Applicable</b>	<b>Yes If Applicable</b>				
	Part B – Sole Proprietor – Completed and signed	<b>Yes If Applicable</b>	<b>Yes If Applicable</b>				
	Part C – Partnership – Completed and signed by every partner	<b>Yes If Applicable</b>	<b>Yes If Applicable</b>				
	Part D – Close Corporation- Completed and signed, certified copy of founding statement and resolution by its members attached.	<b>Yes If Applicable</b>	<b>Yes If Applicable</b>				
	Part E- Co-operatives - Completed and signed, certified copy of the co-operative Constitution and resolution by its members attached.	<b>Yes If Applicable</b>	<b>Yes If Applicable</b>				
	Part F – Join Venture – Completed and signed, certified copy of resolution/agreement by authorized representatives of the enterprises attached.	<b>Yes If Applicable</b>	<b>Yes If Applicable</b>				



Section/ Schedule	Description	Compulsory (Yes / No)	Non- Submission will render bidders non- responsive (Yes/No)	Compulsory (Yes / No) For BID Evaluation Purposes	Yes	No	N/A
	Part G – Consortium - Completed and signed, certified copy of resolution/agreement by authorized representatives of the enterprises attached.	<b>Yes If Applicable</b>	<b>Yes If Applicable</b>				
<b>Section K</b>	Conditions of BID - Completed and signed.	<b>Yes</b>	<b>Yes</b>				
<b>Section L</b>	Declaration of Bidders Past Supply Chain Management Practices - Completed and signed.	<b>Yes</b>	<b>Yes</b>				
<b>Section M</b>	Schedule variations from Goods or Services information (to be used whenever it is applicable)	<b>Yes If Applicable</b>	<b>Yes If Applicable</b>				
<b>Section N</b>	Certificate of BID Determination	<b>Yes</b>	<b>Yes</b>				
<b>Prospective Service Providers MUST provide the following as per the Mandatory Requirements:</b>							
	Certified ID Documents for Directors/Shareholders/Partners or Members	<b>Yes</b>	<b>No</b>				
	A certified copy of the consortium/joint venture agreement <b>must</b> accompany the BID document before the closing date and time of BID.	<b>Yes If Applicable</b>	<b>Yes If Applicable</b>				
	Directors of the quoting company/joint venture/consortium <b>must</b>	<b>Yes If Applicable</b>	<b>No</b>				

Section/ Schedule	Description	Compulsory (Yes / No)	Non- Submission will render bidders non- responsive (Yes/No)	Compulsory (Yes / No) For BID Evaluation Purposes	Yes	No	N/A
	attach certified copies of their ID documents to the BID.						
<b>Documents Required for Evaluation of B-BBEE</b>							
	BBBEE Verification Certificate from a recognized certification Institution. To be certified or original to be submitted.			<b>No, for scoring purposes only</b>			
	Consortium or Joint-venture must obtain and submit a consolidated B-BBEE Status Level Verification Certificate. The non-submission of a consolidated BBBEE Certificate by a company will result in preference points not being allocated to such company. Failure to submit the joint venture Agreement will result in preference points not being allocated to all companies participating in the joint venture			<b>No, for scoring purposes only</b>			

**SECTION D**

**REGISTRATION ON THE CENTRAL SUPPLIERS DATABASE**

- 1. In terms of the KwaZulu-Natal Supply Chain Management Policy Framework, all suppliers of goods and services are required to register on the Central Suppliers Database.
- 2. If you wish to apply for Central Supplier Database (CSD) registration, suppliers may go to [www.csd.gov.za](http://www.csd.gov.za) to register or call 033 897 4223/4676/4509 for assistance.
- 3. If a business is registered on the Database and it is found subsequently that false or incorrect information has been supplied, then the Department may, without prejudice to any other legal rights or remedies it may;
  - 3.1 de-register the supplier from the Database,
  - 3.2 cancel a bid or a contract awarded to such supplier, and the supplier would become liable for any damages if a less favourable bid is accepted or less favourable arrangements are made.
- 4. **The same principles as set out in paragraph 3 above are applicable should the supplier fail to updates its information on the Central Suppliers Database, relating to changed particulars or circumstances.**

**DECLARATION THAT INFORMATION ON CENTRAL SUPPLIER DATABASE (CSD) IS CORRECT AND UP TO DATE**

(To be completed by bidder)

THIS IS TO CERTIFY THAT I (name of bidder/authorised representative)

.....

WHO REPRESENTS (state name of bidder)

.....

I AM AWARE OF THE CONTENTS OF THE CENTRAL SUPPLIER DATABASE WITH RESPECT TO THE BIDDER'S DETAILS AND REGISTRATION INFORMATION, AND THAT THE SAID INFORMATION IS CORRECT AND UP TO DATE AS ON THE DATE OF SUBMITTING THIS BID.

AND I AM AWARE THAT INCORRECT OR OUTDATED INFORMATION MAY BE A CAUSE FOR DISQUALIFICATION OF THIS BID FROM THE BIDDING PROCESS, AND/OR POSSIBLE CANCELLATION OF THE CONTRACT THAT MAY BE AWARDED ON THE BASIS OF THIS BID.

.....  
**SIGNATURE OF BIDDER OR AUTHORISED REPRESENTATIVE**

**DATE:**.....

**SECTION E**

**DECLARATION OF INTEREST (SBD 4)**

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 bid). 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-

1.1 the bidder is employed by the state; and/or

1.2 the legal person on whose behalf the bid 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.

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.

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.

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

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 quoting 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 Income Tax Reference Number	State Employee Number / Persal Number

**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**

**SECTION F**

**PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017 (SBD 6.1)**

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 The value of this bid is estimated not to exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 Preference point system shall be applicable.

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:

	<b>POINTS</b>
<b>PRICE</b>	<b>80</b>
<b>B-BBEE STATUS LEVEL OF CONTRIBUTOR</b>	<b>20</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.



## 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 BIDs, advertised competitive quoting 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:

80/20

or

90/10

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

or

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

Where

Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

Pmin = Price of lowest acceptable bid

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

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>B-BBEE Status Level of Contributor</b>	<b>Number of points (90/10 system)</b>	<b>Number of points (80/20 system)</b>
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		NO	
-----	--	----	--

7.1.1 If yes, indicate:

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

*(Tick applicable box)*

YES		NO	
-----	--	----	--

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 last 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 registration 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:.....

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-BBEE 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 quoting 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 *audi alteram partem* (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution.

<p>WITNESSES</p> <p>1. ....</p> <p>2. ....</p>
--

<p>..... SIGNATURE(S) OF BIDDERS(S)</p> <p>DATE: .....</p> <p>ADDRESS .....</p> <p>.....</p> <p>.....</p>
---

## **SECTION G**

### **SPECIAL CONDITIONS OF CONTRACT**

#### **SECTION 1 – DEFINITIONS**

##### **1. DEFINITIONS**

- 1.1 “Department” means the Department of KwaZulu-Natal Provincial Treasury.
- 1.2 “Service Provider” means the person or persons, partnership, firm or company or close corporation, etc. whose BID for this work has been accepted, and who has, or have, signed this Contract, and shall include his or her heirs, executors, administrators, successors, and any representative, duly appointed, with the consent in writing of the Employer.
- 1.3 “Team” means person or persons representing or acting on behalf of the Service Provider in the execution of this Contract.
- 1.4 “Written instructions” means any printed, typed or written documents or letter signed by or on behalf of the Head and addressed to the Service provider for the purpose of his guidance, direction or instruction.

#### **SECTION 2 - INSTRUCTION TO BIDDERS**

##### **2. INSTRUCTION TO BIDDERS**

- 2.1.1 The service provider must be a legal entity, person or consortium with all other necessary expertise.
- 2.1.2 Be registered with the National Treasury Central Service Providers Database. Proof of registration together with the number must be provided as part of the proposal.
- 2.1.3 The B-BBEE verification certificates must also be submitted together with the proposal.
- 2.1.4 The service provider must fully complete all the relevant sections in the bid document failure to complete the relevant sections will result in bid disqualification.
- 2.1.5 Service providers to ensure that all Tax matters to be in order.
- 2.1.6 Service providers are required to declare in writing, as part of their proposals submissions, that they have no conflict of interest in acting for the KZN PROVINCIAL TREASURY in this assignment.
- 2.1.7 KZN PROVINCIAL TREASURY will enter into agreement with the selected service provider for the work set out in these Terms of Reference. In the event of any conflict arising between the Terms of Reference and the agreement, the agreement will prevail.
- 2.1.8 The persons proposed for the profession work on the assignment shall themselves carry out the work, unless permission is granted by KZN PROVINCIAL TREASURY to replace them. Such permission will only be granted in exceptional circumstances.
- 2.1.9 The cost of preparing proposals and of negotiating the contract is not reimbursable.

- 2.1.10 KZN PROVINCIAL TREASURY is not bound to accept any proposals submitted and reserve the right to negotiate price with the preferred service provider and to request improvements to the service provider's team if deemed necessary.
- 2.1.11 KZN PROVINCIAL TREASURY reserves the right to interview short-listed service providers if required and /or call for the best and final offers from one or more service providers.
- 2.1.12 Any effort by the service provider to influence proposal evaluation, proposal comparisons or proposal award decisions in any manner, will result in rejection of the proposal concerned.
- 2.1.13 Copyright, patent rights and other similar rights in any works or products created as a result of the performance of this project / assignment shall vest in and are hereby transferred to KZN PROVINCIAL TREASURY, unless specifically agreed to otherwise, in the form of individual written, Agreement signed by both parties.
- 2.1.14 For this purpose only, all works created in terms of this project / assignments thereof shall be deemed to have been created under control and direction of KZN PROVINCIAL TREASURY and be the property of KZN PROVINCIAL TREASURY.
- 2.1.15 All information documents, records and books provided by KZN PROVINCIAL TREASURY to any service provider in connection with the proposal or otherwise are strictly private and confidential.
- 2.1.16 Any proposer to any third party shall not disclose them, except with the express consent of KZN PROVINCIAL TREASURY, which shall be granted in writing prior to such disclosure. KZN PROVINCIAL TREASURY however, reserves the right to disclose any information provided by the service provider to any of its employees.
- 2.1.17 KZN PROVINCIAL TREASURY requires no bid surety, but services providers should note that KZN PROVINCIAL TREASURY reserves the right to review this position at contractual stages.
- 2.1.18 KZN PROVINCIAL TREASURY reserves the right to downscale the required services should the need arise; however this will be done on a consensus basis.
- 2.1.19 The proposal must remain valid for the period of the assignment. Prices indicated in the proposal must remain firm for the duration of the assignment after the award has been made.
- 2.1.20 KZN PROVINCIAL TREASURY reserves the right to visit the premises of the short listed service providers prior to the assignment being awarded and after the contract has been signed.
- 2.1.21 For BIDs above R30 million, the successful tenderer must subcontract a minimum of 30% of the value of the contract to:

No.	CRITERIA	YES Applicable
1	an EME or QSE	Applicable
2	an EME or QSE which is at least 51% owned by black people	Not Applicable
3	an EME or QSE which is at least 51% owned by black people who are youth	Not Applicable
4	an EME or QSE which is at least 51% owned by black people who are women	Not Applicable
5	an EME or QSE which is at least 51% owned by black with disabilities	Not Applicable
6	an EME or QSE which is at least 51% owned by black people living in rural or underdeveloped areas or townships	Not Applicable
7	a Cooperative which is at least 51% owned by black people	Not Applicable
8	an EME or QSE which is at least 51% owned by black people who are military veterans	Not Applicable

## 2.2. EQUIPMENT

Cell phones and any other equipment, where required, must be provided at own cost by the Contractor. All official cell phone calls will only be reimbursed by the Department if supported evidence is provided.

## 2.3 LANGUAGE MEDIUM

The language medium for all documentation related to the Contract shall be in English.

## 2.4 PAYMENT

Once a contract is awarded the supplier must complete an Original Bas Entity Form available from the Department. This form must be submitted together with a cancelled cheque or a certified bank statement and a certified copy of the ID of the person who signs the financial detail certificate.



## **SECTION 3 – SUPPLY CHAIN MANAGEMENT PROCEDURES**

### **3. SUPPLY CHAIN MANAGEMENT PROCEDURES**

#### **3.1 PROCEDURES FOR SUBMISSION**

- 3.1.1 It is the responsibility of the service providers to ensure that their proposals are in the bid Box by deadline date and time.
- 3.1.2 Bids are late if they are received at the address indicated in the BID documents after the closing date and time.
- 3.1.3 A late bid shall not be considered and, where practicable, shall be returned unopened to the Bidder.
- 3.1.4 No late bids are accepted.
- 3.1.5 Bidders must please ensure that in all instances, the bid reference number as well as the name of the project or bid is clearly written in bold on the envelope.

#### **3.2 VERIFICATION OF NATIONAL TREASURY CENTRAL SUPPLIERS DATABASE**

- 3.2.1 The Department will verify the following information of the National Treasury Central Suppliers Database.
  - a) Business registration, including details of directorship and membership;
  - b) Bank account holder information;
  - c) In the service of the state status;
  - d) Tax compliance status;
  - e) Identity number;
  - f) Tender defaulting and restriction status; and
  - g) Any additional and supplementary verification information communicated by the National Treasury.
- 3.2.2 Suppliers / service providers to ensure that the above information are updated and correct on the National Treasury Central Suppliers Database.

#### **3.3 GENERAL EVALUATION CRITERIA**

- 3.3.1 The Bid Evaluation Committee will assess offers and adhere to the following basic guidelines when evaluating.
  - a) The 80/20 preference point system is applicable to bids\* with a Rand value equal to, or above R30 000 and up to a Rand value of R50 million (all applicable taxes included)
  - b) The 90/10 preference point system is applicable to bids with a Rand value above R50 million (all applicable taxes included).
  - c) Whether all the required information called for in the bid document has been submitted by the bidder.
  - d) Bids that fail to achieve the minimum qualifying score (60%) for functionality must be disqualified.
  - e) Did the Bidder attend the site inspection if compulsory?
  - f) Will the Bidder be in a position to successfully execute the contract?
  - g) In terms of the Preferential Procurement Regulations, 2017 Pertaining to the Preferential Procurement Policy Framework ACT, No 5 of 2000, Cancellation and Re – Invitation of bids can only happen if the following is not met.

- Due to changed circumstances, there is no longer a need for the services, works or goods requested. [AOs / AAs must ensure that only goods, services or works that are required to fulfil the needs of the institution are procured]; or
  - Funds are no longer available to cover the total envisaged expenditure. [AOs / AAs must ensure that the budgetary provisions exist]; or
  - No acceptable bids are received. [If all bids received are rejected, the institution must review the reasons justifying the rejection and consider making revisions to the specific conditions of contract, design and specifications, scope of the contract, or a combination of these, before inviting new bids]; or
- h) There is a material irregularity in the tender process.

### **3.4 JOINT VENTURES**

- 3.4.1 In terms of the Supply Chain Management Policy Framework, a consortium or joint venture may, based on the percentage of the contract value managed or executed by their HDI members, be entitled to equity ownership in respect of an HDI.
- 3.4.2 Should this bid be submitted by a joint venture, a certified copy of the joint venture agreement must accompany the bid document before the closing date and time of bid? The joint venture agreement must clearly specify the percentage of the contract to be undertaken by each company participating therein.
- 3.4.3 A trust, consortium or joint-venture must obtain and submit a consolidated B-BBEE Status Level Verification Certificate. The non-submission of a consolidated BBBEE Certificate by a company will result in preference points not being allocated to such company.
- 3.4.4 Failure to submit the joint venture Agreement will result in a company being disqualified.

### **3.5 EQUAL BIDS**

In the event that two or more bids have equal total points, the successful BID will be the one scoring the highest number of B-BBEE points. Should functionality be a part of the evaluation process and two or more Bidders score equal total points and equal B-BBEE points; the contract must be awarded to the tenderer that scored the highest points for functionality. Should two or more bids be equal in all respects, the Adjudication shall be decided by the drawing of lots.

### **3.6 VALIDITY PERIOD AND EXTENSION THEREOF**

- 3.6.1 The validity (binding) period for the bid must be hundred and twenty (120) days from close of bid. However, circumstances may arise whereby this KZN Department of Economic Development, Tourism and Environmental Affairs may request the Bidders to extend the validity (binding) period.
- 3.6.2 Should this occur, the KZN Department of Economic Development, Tourism and Environmental will request bidders to extend the validity (binding) period under the same terms and conditions as originally tendered for by bidders.
- 3.6.3 This request will be done before the expiry of the original validity (binding) period.

### **3.7 ELECTRONIC PAYMENTS**

Once a contract is awarded the supplier must complete an Original Bas Entity Form available from the Department. This form must be submitted together with a cancelled cheque or a certified bank statement and a certified copy of the ID of the person who signs the financial detail certificate.

### **3.8 APPEALS PROCESS**

All service providers are advised to refer to KZN SCM policy framework for the appeal process and procedures. The SCM policy framework is available on KZN Treasury website. [www.kzntreasury.gov.za](http://www.kzntreasury.gov.za)

## **SECTION 4 - SPECIAL CONDITIONS OF CONTRACT**

### **4. SPECIAL CONDITIONS OF CONTRACT**

#### **4.1 LIABILITY**

The contractor shall be liable for the acts and omissions of its personnel and /or employees in the execution of their duties against:

- a) any damage to the Department's property, whether movable or immovable;
- b) loss of property belonging to the Department
- c) liability in respect of any damage to property, whether movable or
- d) immovable from third parties;
- e) liability in respect of loss property belonging to third parties; and
- f) liability in respect of the death of, unlawful arrest, injury, illness or disease to any person.

#### **4.2 INDEMNITY CLAUSE**

The Department will not be held responsible for any injuries incurred by the Contractor while rendering the service.

#### **4.3 PENALTIES**

Should at any time during the contract period be determined that the Contractor's personnel failed to perform in one or other facet of their duties without a reasonable motivation the contract will be terminated.

#### **4.4 CONTRACT NOT TO BE CEDED OR ASSIGNED WITHOUT APPROVAL**

The Contractor will not be allowed to cede or assign his rights and / or obligations under the contract or to sublet the contract work or any part thereof, without the consent of the Department.

#### **4.5 EXECUTION OF WORK**

The service rendered shall be carried out by the Contractor in a thorough and workman manner and to the satisfaction of the Department.

#### **4.6 INSPECTION OF SITE**

The Contractor shall have inspected the site and to have satisfied himself / herself before submitting his bid, as to the nature of the work amount of personnel required and material necessary to render the service as required in the bid document.

#### **4.7 CARE OF THE WORKS**

The obligation to take care of and provide custody for the contract work and everything connected therewith shall rest solely with the Contractor who shall take all necessary precautions to prevent injury to persons or damage to property and to protect adjoining properties from trespass or damage to progress of the contract.

#### **4.8 REMUNERATION**

- 4.8.1 The Department shall remunerate the Service Provider in respect of its services in accordance with the appropriate conditions as set forth.
- 4.8.2 The Service Provider agrees hereto that responsibility of payment for services rendered to the Department shall vest in the Service Provider, who shall on monthly basis submit an invoice to the Department.
- 4.8.3 The service Provider shall submit to the Department a tax invoice for each month, and the Department shall pay to the Service Provider the amount of invoice within 30 (thirty days) of receipt of an agreed invoice. All supporting documents must be attached to all invoices submitted.
- 4.8.4 In the event that the Department is not satisfied with the performance of the Service Provider, the Department shall give written notice to this effect to the Service Provider providing sufficient detail and a reasonable time frame to enable the service provider to rectify such performance.
- 4.8.5 In the event of the entire amount or a portion of the invoice being disputed by the Department, only a portion in the dispute shall be held for payment, until the dispute is resolved. The undisputed portion shall be paid to the Service Provider within the stipulated time frames.
- 4.8.6 International and Domestic Travel to be undertaken by the service provider shall be as per the Travel Policy of the Department.
- 4.8.7 Disbursements shall be claimed as per the Subsistence and Travel policy of the Department.
- 4.8.8 The Service Provider shall immediately give notice of any circumstances preventing it from completing its obligations in terms of the contract.

#### **4.9 TERMINATION OF SERVICES**

- 4.9.1 Should the Contractor fail to meet the conditions of the contract, or continue rendering unsatisfactory service, the Department reserves the right to terminate the contract, after written notification has been served on the Contractor, with

retention of the right to recover from the Contractor any losses which the Department may suffer/ incur as a result of the failure, without prejudicing any other rights it may have.

- 4.9.2 The Department reserves the right to terminate the agreement, should the Institution, for any reason, be permanently closed or transferred to another location.
- 4.9.3 KZN PROVINCIAL TREASURY reserves the right to terminate the contract of any assignment to any party if there are reasonable grounds for considering that there is non-performance by the contracted service provider.
- 4.9.4 KZN PROVINCIAL TREASURY also reserves the right to curtail the scope of the assignment awarded or to curtail any aspect of the assignment by mutual agreement. In the event of any such cancellation or curtailment, the service provider shall have no claim or recourse against KZN PROVINCIAL TREASURY, of whatever nature, save the recoupment of the service provider's actual and reasonable costs already expended on the project.

#### **4.10 UNSATISFACTORY PERFORMANCE**

- 4.10.1 Unsatisfactory performance occurs when performance is not in accordance with the contract conditions.
- 4.10.2 Before any action is taken, the KZN PROVINCIAL TREASURY shall warn the contractor by registered/certified mail that action will be taken in accordance with the contract conditions unless the contractor complies with the contract conditions and delivers satisfactory supplies or services within a specified reasonable time (14 days minimum). If the contractor does not perform satisfactorily despite the warning the KZN PROVINCIAL TREASURY will:
  - a) take action in terms of its delegated powers;
  - b) make a recommendation for cancellation of the contract concerned.

#### **4.11 VAT**

- i. BID prices must be inclusive of VAT.
- ii. A tax invoice shall be in the currency of the Republic of South Africa and shall contain the following particulars:
  - a. The name, address and registration number of the supplier;
  - b. the name and address of the recipient;
  - c. an individual serialised number and the date upon which the tax invoice is issued;
  - d. a description of the goods or services supplied;
  - e. the quantity or volume of the goods or services supplied;
  - f. either –
    - iii. the value of the supply, the amount of tax charged and the consideration for the supply; or
    - iv. where the amount of tax charged is calculated by applying the tax fraction to the consideration, the consideration for the supply and either the amount of the tax charged, or a statement that it includes a charge in respect of the tax and the rate at which the tax was charged.

#### **4.12 REMUNERATION WORK OUTSIDE THE PUBLIC SERVICE**

- 4.12.1 An employee cannot, without approval, undertake remunerative work outside his or her official duty. Written permission must be granted by the Executive Authority or an official authorised by the Executive Authority.
- 4.12.2 An employee is prohibited from serving on the Board of Directors of private sector organizations without the written permission granted by the Executive Authority or an official authorized by the Executive Authority.

#### **4.13 RESTRICTION OF SUPPLIERS, SHAREHOLDERS AND DIRECTORS**

4.13.1 AOs / AAs may act against Suppliers, Shareholders and Directors, upon detecting that false information regarding any matter which will affect or has affected the evaluation of a tender, in accordance with the Department's SCM Policy and Preferential Procurement Policy Framework Act, 2000: Preferential Procurement Regulations, 2017.

**SECTION H**  
**OFFICIAL BRIEFING SESSION/SITE INSPECTION CERTIFICATE (SBD 10)**

**NOT APPLICABLE**

Kindly note that there will be no compulsory briefing session for this bid due to COVID -19 pandemic, however bidders will be given an opportunity to seek clarity during the briefing session that will be held virtual on the 02 September 2021.

**N. B.:** THIS FORM IS ONLY TO BE INCLUDED AND COMPLETED WHEN APPLICABLE TO THE BID.

Site/building/institution involved: Department of Treasury

**Bid No: ZNT 1231/2021-F**

**Service: Appointment of a panel of service providers to assist the KwaZulu-Natal Provincial Treasury to provide support to departments, public entities, municipalities, and municipal entities to ensure improved service delivery and quicker turnaround times in the Contract Management.**

THIS IS TO CERTIFY THAT (NAME).....ON BEHALF OF.....  
ATTENDED THE OFFICIAL BRIEFING ON..... (DATE)AND IS THEREFORE FAMILIAR WITH THE  
CIRCUMSTANCES AND THE SCOPE OF THE SERVICE TO BE RENDERED.

.....  
**SIGNATURE OF BIDDER OR AUTHORISED REPRESENTATIVE**

(PRINT NAME)

**DATE:** .....

.....  
**SIGNATURE OF DEPARTMENTAL REPRESENTATIVE**

(PRINT NAME)

**DEPARTMENTAL STAMP:**

(OPTIONAL)

**DATE:** .....

**SECTION I**

**NOT APPLICABLE**

**DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS**

This Standard Bidding Document (SBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, Bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2017, the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

**1. General Conditions**

- 1.1. Preferential Procurement Regulations, 2017 (Regulation 8) make provision for the promotion of local production and content.
- 1.2. Regulation 8.(2) prescribes that in the case of designated sectors, organs of state must advertise such tenders with the specific quoting condition that only locally produced or manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for tenders referred to in paragraph 1.2 above, a two stage BID process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

$$LC = [1 - x / y] * 100$$

Where

x is the imported content in Rand

y is the BID price in Rand excluding value added tax (VAT)



Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid as indicated in paragraph 4.1 below.

The SABS approved technical specification number SATS 1286:2011 is accessible on [http://www.thedti.gov.za/industrial development/ip.jsp](http://www.thedti.gov.za/industrial%20development/ip.jsp) at no cost.

1.6. A bid may be disqualified if this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation;

2. The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:

<u>Description of services, works or goods</u>	<u>Stipulated minimum threshold</u>
_____	_____

3. Does any portion of the goods or services offered have any imported content?  
(Tick applicable box)

YES		NO	
-----	--	----	--

3.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by SARB for the specific currency at 12:00 on the date of advertisement of the bid.

The relevant rates of exchange information is accessible on [www.reservebank.co.za](http://www.reservebank.co.za)

Indicate the rate(s) of exchange against the appropriate currency in the table below (refer to Annex A of SATS 1286:2011):

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

NB: Bidders must submit proof of the SARB rate (s) of exchange used.

4. Where, after the award of a BID, challenges are experienced in meeting the stipulated minimum threshold for local content the DTI must be informed accordingly in order for the DTI to verify and in consultation with the AO/AA provide directives in this regard.

**LOCAL CONTENT DECLARATION**  
**(REFER TO ANNEX B OF SATS 1286:2011)**

**LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)**

**IN RESPECT OF BID NO.** .....

**ISSUED BY:** (Procurement Authority / Name of Institution):  
.....

NB

- 1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the Bidder.
- 2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on [http://www.thdti.gov.za/industrial\\_development/ip.jsp](http://www.thdti.gov.za/industrial_development/ip.jsp). Bidders should first complete Declaration D. After completing Declaration D, Bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the Bidders for verification purposes for a period of at least 5 years. The successful Bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

I, the undersigned, ..... (full names),

do hereby declare, in my capacity as .....

of .....(name of Bidder entity), the following:

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that:
  - (i) the goods/services/works to be delivered in terms of the above-specified BID comply with the minimum local content requirements as specified in the BID, and as measured in terms of SATS 1286:2011; and
- (c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

BID price, excluding VAT (y)	R
Imported content (x), as calculated in terms of SATS 1286:2011	R

Stipulated minimum threshold for local content (paragraph 3 above)	
Local content %, as calculated in terms of SATS 1286:2011	

**If the BID is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above.**

**The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E.**

- (d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.
- (e) I understand that the awarding of the BID is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 14 of the Preferential Procurement Regulations, 2017 promulgated under the Preferential Policy Framework Act (PPFA), 2000 (Act No. 5 of 2000).

**SIGNATURE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**WITNESS No. 1** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**WITNESS No. 2** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**SECTION J**  
**AUTHORITY TO SIGN A BID (SBD 11)**

**A. COMPANIES**

If a Bidder is a company, a certified copy of the resolution by the board of directors, personally signed by the chairperson of the board, authorising the person who signs this bid to do so, as well as to sign any contract resulting from this bid and any other documents and correspondence in connection with this bid and/or contract on behalf of the company must be submitted with this bid, that is before the closing time and date of the bid.

**AUTHORITY BY BOARD OF DIRECTORS**

By resolution passed by the Board of Directors on.....20.....,  
Mr/Mrs/Miss..... (whose signature appears below) has been duly authorised to  
sign all documents in connection with this BID on behalf of  
(Name of Company) .....

**IN HIS/HER CAPACITY AS:** .....

**SIGNED ON BEHALF OF COMPANY:** .....

(PRINT NAME)

**SIGNATURE OF SIGNATORY:** .....

**DATE:** .....

**WITNESSES: WITNESS:** 1.....

2.....

**B. SOLE PROPRIETOR (ONE - PERSON BUSINESS)**

I, the undersigned..... hereby confirm that I am the sole owner of the business

Trading as .....

.....  
**SIGNATURE**  
(PRINT NAME)

.....  
**DATE**

**C. PARTNERSHIP**

The following particulars in respect of every partner must be furnished and signed by every partner:

Full name of partner	Residential address	Signature
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....

We, the undersigned partners in the business trading as.....hereby authorized  
.....to sign this bid as well as any contract resulting from the bid and any other  
documents and correspondence in connection with this bid and /or contract on behalf of

.....	.....	.....
<b>SIGNATURE</b> (PRINT NAME)	<b>SIGNATURE</b> (PRINT NAME)	<b>SIGNATURE</b> (PRINT NAME)
.....	.....	.....
<b>DATE</b>	<b>DATE</b>	<b>DATE</b>

**D. CLOSE CORPORATION**

In the case of a close corporation submitting a bid, a certified copy of the Founding Statement of such corporation shall be included with the bid, together with the resolution by its members authorising a member or other official of the corporation to sign the documents on their behalf.

By resolution of members at a meeting on ..... 20..... at .....  
.....Mr/Mrs/Miss....., whose signature appears below, has  
been authorised to sign all documents in connection with this bid on behalf of (Name of Close  
Corporation).....

**SIGNED ON BEHALF OF CLOSE CORPORATION:** ..... (PRINT NAME) **IN HIS/HER**  
**CAPACITY AS** ..... **DATE:** .....

**SIGNATURE OF SIGNATORY:** .....

**WITNESSES:**    **WITNESSES:**

1 .....

2 .....



**E. CO-OPERATIVE**

A certified copy of the Constitution of the co-operative must be included with the bid, together with the resolution by its members authoring a member or other official of the co-operative to sign the bid documents on their behalf.

By resolution of members at a meeting on ..... 20..... at .....Mr/Mrs/Miss....., whose signature appears below, has been authorised to sign all documents in connection with this bid on behalf of (Name of co-operative).....

**SIGNATURE OF AUTHORISED REPRESENTATIVE/SIGNATORY:**

(PRINT NAME)

.....

**IN HIS/HER CAPACITY AS:** .....

**DATE:** .....

**SIGNED ON BEHALF OF CO-OPERATIVE:** .....

**NAME IN BLOCK LETTERS:** .....

**WITNESSES: WITNESSES:**

1 .....

2 .....

**F. JOINT VENTURE**

If a Bidder is a joint venture, a certified copy of the resolution/agreement passed/reached signed by the duly authorised representatives of the enterprises, authorising the representatives who sign this bid to do so, as well as to sign any contract resulting from this bid and any other documents and correspondence in connection with this bid and/or contract on behalf of the joint venture must be submitted with this bid, before the closing time and date of the bid.

**\*A trust, consortium or joint venture must obtain and submit a consolidated B-BBEE Status Level Verification Certificate for every separate bid.**

**AUTHORITY TO SIGN ON BEHALF OF THE JOINT VENTURE**

By resolution/agreement passed/reached by the joint venture partners

on.....20.....Mr/Mrs/Miss.....,Mr/Mrs/Miss.....

.....Mr/Mrs/Miss.....and Mr/Mrs/Miss..... (Whose signatures appear below) have been

duly authorised to sign all documents in connection with this bid on behalf of:

(Name of Joint Venture).....

**IN HIS/HER CAPACITY AS:** .....

**SIGNED ON BEHALF OF (COMPANY NAME):** .....

(PRINT NAME)

**SIGNATURE:** .....

**DATE:** .....

**IN HIS/HER CAPACITY AS:** .....

**SIGNED ON BEHALF OF (COMPANY NAME):** .....

(PRINT NAME)

**SIGNATURE:** .....

**DATE:** .....

**IN HIS/HER CAPACITY AS:** .....

**SIGNED ON BEHALF OF (COMPANY NAME):** .....

(PRINT NAME)

**SIGNATURE:** .....

**DATE:** .....

**IN HIS/HER CAPACITY AS:** .....

**SIGNED ON BEHALF OF (COMPANY NAME):** .....

(PRINT NAME)

**SIGNATURE:** .....

**DATE:** .....

**G. CONSORTIUM**

If a Bidder is a consortium, a certified copy of the resolution/agreement passed/reached signed by the duly authorised representatives of concerned enterprises, authorising the representatives who sign this BID to do so, as well as to sign any contract resulting from this BID and any other documents and correspondence in connection with this BID and/or contract on behalf of the consortium must be submitted with this BID, before the closing time and date of the BID.

**\*A trust, consortium or joint venture must obtain and submit a consolidated B-BBEE Status Level**

**Verification Certificate for every separate BID.**

**AUTHORITY TO SIGN ON BEHALF OF THE CONSORTIUM**

By resolution/agreement passed/reached by the consortium on.....20.....

Mr/Mrs/Miss.....(whose signature appears below) have been duly authorised to sign all documents in connection with this BID on behalf of:(Name of Consortium).....

**IN HIS/HER CAPACITY AS:**.....

**SIGNATURE:**.....

**DATE:**.....

(PRINT NAME)

**SECTION K**

**CONDITIONS OF BID**

1. I/We hereby bid to supply all or any of the supplies and/or to render all or any of the services described in the attached documents to the KwaZulu-Natal Provincial Administration (hereinafter called the "Province") on the terms and conditions and be in accordance with the specifications stipulated in the bid documents (and which shall be taken as part of and be incorporated into this bid) at the prices and on the terms regarding time for delivery and/or execution inserted therein.
  
2. I/we agree that:
  - (a) the offer herein shall remain binding upon me and open for acceptance by the Province during the validity period indicated and calculated from the closing time of the bid;
  - (b) this bid and its acceptance shall be subject to Treasury Regulations 16A issued in terms of the Public Finance Management Act, 1999, the National Treasury General Conditions of Contract and Standard Bidding Documents, the KwaZulu-Natal Supply Chain Management Policy Framework, the Provincial Treasury issued Practice Notes, and the KwaZulu-Natal Conditions of Contract, with which I/we am fully acquainted;
  - (c) if I/we withdraw my bid within the period for which I/we have agreed that the bid shall remain open for acceptance, or fail to fulfil the contract when called upon to do so, the Province may, without prejudice to its other rights, agree to the withdrawal of my bid or cancel the contract that may have been entered into between me and the Province. I/we will then pay to the Province any additional expenses incurred by the Province having either to accept any less favourable bid or, if fresh bids have to be invited, the additional expenditure incurred by the invitation of fresh bids and by the subsequent acceptance of any less favourable bid. The Province shall have the right to recover such additional expenditure by set-off against monies which may be due to me under this or any other bid or contract or against any guarantee or deposit that may have been furnished by me or on my behalf for the due fulfilment of this or any other bid or contract and pending the ascertainment of the amount of such additional expenditure to retain such monies, guarantee or deposit as security for any loss the Province may sustain by reason of my default;
  - (d) if my bid is accepted, the acceptance may be communicated to me by registered post, and that the South African Post Office Limited shall be treated as delivery agent to me;
  - (e) the law of the Republic of South Africa shall govern the contract created by the acceptance of my bid and I choose *domicilium citandi et executandi* in the Republic at (full physical address) :  
.....  
.....
  
3. I/we furthermore confirm that I/we have satisfied myself as to the correctness and validity of my bid: that the price(s), rate(s) and preference quoted cover all of the work/item(s) and my obligations under a resulting contract, and I accept that any mistakes regarding the price(s) and calculations will be at my risk.
  
4. I/we hereby accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement, as the Principal(s) liable for the due fulfilment of this contract.
  
5. I/we agree that any action arising from this contract may in all respects be instituted against me and I/we hereby undertake to satisfy fully any sentence or judgement which may be pronounced against me as a result of such action.
  
6. I/we confirm that I/we have declared all and any interest that I or any persons related to my business has with regard to this bid or any related bids by completion of the Declaration of Interest Section.



## SECTION L

**DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES (SBD 8)**

- 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:		
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**





## SECTION N

### CERTIFICATE OF INDEPENDENT BID DETERMINATION (SBD 9)

1. This Standard BID Document 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 quoting (or bid rigging).<sup>2</sup> Collusive quoting 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 quoting 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 bids, advertised competitive bids, limited bids and proposals.

<sup>2</sup> BID rigging (or collusive quoting) 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 quoting process. Bid rigging is, therefore, an agreement between competitors not to compete.

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying BID:

\_\_\_\_\_

(BID Number and Description)

in response to the invitation for the bid made by:

\_\_\_\_\_

(Name of Institution)

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

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

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the Bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the Bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the Bidder to determine the terms of, and to sign the bid, on behalf of the Bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the Bidder, whether or not affiliated with the Bidder, who:
  - a) has been requested to submit a bid in response to this bid invitation;
  - b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - c) provides the same goods and services as the Bidder and/or is in the same line of business as the Bidder
6. The Bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive quoting.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:

- a) prices;
  - b) geographical area where product or service will be rendered (market allocation)
  - c) methods, factors or formulas used to calculate prices;
  - d) the intention or decision to submit or not to submit, a bid;
  - e) the submission of a bid which does not meet the specifications and conditions of the bid; or
  - f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the Bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- <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.**
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

**ANNEXURE A: GENERAL CONDITIONS OF CONTRACT**

**GOVERNMENT PROCUREMENT:  
GENERAL CONDITIONS OF CONTRACT**

**July 2010**

**NOTES**

The purpose of this document is to:

- (i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and
- (ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

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

**General Conditions of Contract**

**1. Definitions**

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 anything of value to influence the action of a public official in the procurement process or in contract execution.
- 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
- 1.7 "Day" means calendar day.

- 1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.
- 1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.
- 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
- 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
- 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any Bidder, and includes collusive practice among Bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the Bidder of the benefits of free and open competition.
- 1.14 "GCC" means the General Conditions of Contract.
- 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.
- 1.23 "SCC" means the Special Conditions of Contract.
- 1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 1.25 "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

## **2. Application**

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

## **3. General**

- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from [www.treasury.gov.za](http://www.treasury.gov.za)

## **4. Standards**

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

## **5. Use of Contract Documents and information; inspection.**

- 5.1 The supplier shall not, without the purchaser's prior written consent disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.
- 5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

## 6. Patent rights

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

## 7. Performance Security

- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful Bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
- (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
  - (b) a cashier's or certified cheque
- 7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

## 8. Inspections, tests and analyses

- 8.1 All pre-bidding testing will be for the account of the Bidder.
- 8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the Bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract supplies may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.
- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

## **9. Packing**

- 9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.
- 9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

## **10. Delivery and documents**

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



## **11. Insurance**

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

## **12. Transportation**

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

## **13. Incidental Services**

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

- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
- (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
- (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

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

## **14. Spare parts**

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

- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
- (b) in the event of termination of production of the spare parts:
  - (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and

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

## **15. Warranty**

- 15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.
- 15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.
- 15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.
- 15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.
- 15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

## **16. Payment**

- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

**17. Prices**

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

**18. Contract Amendments**

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

**19. Assignment**

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

**20. Subcontracts**

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

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

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

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

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

- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.
- 21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.
- 21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the 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 antidumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him

#### **25. Force Majeure**

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the 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

## **28. Limitation of liability**

- 28.1 Except in cases of criminal negligence or wilful misconduct, and in the case infringement pursuant to Clause 6;
- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and
  - (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

## **29. Governing Language**

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

## **30. Applicable Law**

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

## **31. Notices**

- 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice.
- 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

## **32. Taxes and duties**

- 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any Bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the Bidder. This certificate must be an original issued by the South African Revenue Services.

### **33. National Industrial Participation (NIP) Programme**

- 33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.

### **34 Prohibition of Restrictive practices**

- 34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a Bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).
- 34.2 If a Bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.
- 34.3 If a Bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the Bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the Bidder(s) or contractor(s) concerned.



## ANNEXURE B:

### TERMS OF REFERENCE

#### APPOINTMENT OF A PANEL OF SERVICE PROVIDERS TO ASSIST THE KWAZULU-NATAL PROVINCIAL TREASURY TO PROVIDE SUPPORT TO DEPARTMENTS, PUBLIC ENTITIES, MUNICIPALITIES, AND MUNICIPAL ENTITIES TO ENSURE IMPROVED SERVICE DELIVERY AND QUICKER TURNAROUND TIMES IN THE CONTRACT MANAGEMENT.

### 1. BACKGROUND

- 1.1 The KwaZulu-Natal Treasury Provincial Supply Chain Management Unit (Provincial SCM) has a responsibility to monitor and provide support to Provincial Departments, Public Entities, Municipalities and Municipal Entities (hereafter referred to as '*clients*') to ensure improved service delivery and quicker turnaround times in the Contract Management processes in terms of Public Finance Management Act 1 of 1999 (PFMA) and Municipal Finance Management Act, 2003 (MFMA).
- 1.2 The Provincial SCM seek to appoint a panel of service providers with expertise and service offerings in all components of Contract Management. The assistance is frequently required at short notice and it is therefore the intention of the Provincial SCM to compile a list of experienced and competent service providers.
- 1.3 Due to the high volume and extent of intervention required, the Provincial SCM Unit is currently under-capacitated to efficiently execute their required mandate. Additional, skilled resources are thus required to assist the Provincial SCM Unit in providing support to the affected institutions on Contract Management project-by-project basis.

### 2. OBJECTIVE

The objectives of the Contract Management are to:

- Develop and implement Contract Management policies and procedures in line with the applicable prescripts;
- Contract Management business process re-engineering;
- Assist clients in improving the reliability of Contract Management Information for reporting;
- Ensure that the clients employ processes that comply with all relevant prescripts;
- Assist in establishing consistency in the implementation of Contract Management policies and procedures;
- Create tools that will enable clients to maintain complete and accurate records of contracts.

### **3. SCOPE OF WORK**

The following main areas of focus in Contract Management shall be required by the Provincial SCM on an “as and when required” basis. These are not intended to be exhaustive and may include other aspect that may need to be satisfied in terms of the applicable prescript.

#### **3.1 CAPACITY BUILDING INITIATIVES**

Capacity-building initiatives are done by Provincial SCM on an on-going basis. Service Providers will be required to undertake capacity building initiatives for the clients as determined by the Provincial SCM as and when required. The Provincial SCM may require training to be conducted during the contract period and only SETA accredited service providers shall be considered to execute such a service.

#### **3.2 POLICY DEVELOPMENT**

Service providers may be required to conduct research on various matters that relate to Contract Management and develop applicable policies and/or guidelines to ensure compliance to applicable prescripts.

#### **3.3 CONTRACT MANAGEMENT INTERVENTIONS**

Implement interventions that will ensure efficacy in the management of contracts by clients.

### **4. EXPECTED DELIVERABLES**

- The expected outcomes and deliverables shall be determined on a project-by-project basis. The required deliverables for each specific project shall be determined based on the needs identified.
- A monthly progress report supported by weekly time sheets and a close out report (at the end of the project) must be compiled for each specific project. This shall bear no cost to the Provincial SCM.

### **5. COMPETENCY/ EXPERTISE REQUIRED**

Inclusion on the panel shall be based on Contract Management knowledge, expertise, understanding, competency and ability. The appointment of a service provider, as and when the need arises, will be based on the requirements of each project. The expertise required will include, but not limited to, the following:

- Knowledge and expertise in the implementation of the best practice of Contract Management methodologies that are suitable for the Public Sector.
- Knowledge and experience in all the applicable legislation including but not limited to Constitution, PFMA, MFMA, PPPFA, BBBEE and related Regulations and Practice/ Instruction Notes.
- Public sector Contract Management Framework and Guidelines.

- Knowledge and experience in the working of government systems which includes Basic Accounting System, Vulindlela, Logis, Cognos and Central Supplier Database, etc.
- A clear understanding of dynamics of the Public Sector procurement requirements.
- Ability to transfer skills and expertise to Contract Management staff.
- Good project management, communication skills, writing skills, analytical thinking and interpersonal skills.

The successful service providers shall provide personnel with the required competency and skills necessary to complete the task assigned.

## **6. PROJECT CO-ORDINATION AND ADMINISTRATION**

Service providers may be required to conduct project co-ordination on behalf of the Provincial SCM and these may include inter alia:

- Arrange meetings with clients to brief them on the project scope, deliverables timelines, and other technical requirements relating to the project
- Introduce the teams deployed to the clients
- Manage client expectations and ensure that these are in line with the Project Charter
- Manage communication to all clients within accepted communications protocols
- Produce weekly and/or monthly reports, weekly time sheets, close-out report and presentations

## **7. COMMUNICATION AND REPORTING**

- The service providers will report directly to the Provincial SCM.
- The Provincial SCM must be kept abreast on progress or challenges experienced during the course of the project, and sign-off must be obtained for each deliverable.
- Skills transferred will be confirmed by the client.

## **8. CONDITIONS**

- 8.1 As and when assignments are agreed upon, the Provincial SCM will stipulate the rates to be paid per hour (inclusive of disbursements and VAT) per consultant, dependent on the level of experience and knowledge required for that assignment. The Service Level Agreement or Letter of Engagement relating to the particular assignment will stipulate such rates and/or a total budget and will need to be accepted and signed prior to commencement of each assignment.
- 8.2 The service providers will be required to sign a Service Level Agreement (SLA). The approved list of service providers must have the capacity, functional skills, knowledge and experience, to provide the services required at a level acceptable to Provincial SCM.

- 8.3 Engagement letters will be signed between the service provider and the KZN Provincial Treasury for each assignment awarded.
- 8.4 Service providers on this panel will be allocated assignments by the Provincial SCM, based on their assessed suitability as required by the Terms of Reference for each project. The selected service providers will be required to complete the deliverables as agreed in the signed Engagement Letter/s and relevant Terms of Reference as well as within the budgets agreed upon for each assignment.
- 8.5 The Provincial SCM would like to ensure an equitable distribution of work amongst all professional service providers appointed to the panel. It is therefore incumbent upon the participants on the panel to respond adequately to the Terms of Reference that are issued per the project.
- 8.6 Service providers shall treat all available data, methodologies and templates provided by the Provincial SCM as strictly confidential and not available for any form of distribution or use other than on the project in respect of which the information was made available. The information of the project remains the property of the KZN Provincial Treasury.
- 8.7 The bidder's staff complement must address the demographics of the country in line with government transformation objectives as outlined in the Broad Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003 as amended by Act 46 of 2013). This bid is issued with pre-qualification criteria, which requires the bidder to provide evidence of BBBEE status level of contribution.
- 8.8 The successful bidders will report to the Provincial SCM on assignments in accordance with the terms and conditions documented in the Service Level Agreement, Engagement Letters and/or Contracts;
- 8.9 Projects may be initiated by means of Engagement Letters and verbal briefings may be provided where it is considered appropriate and necessary.
- 8.10 Successful bidders will be appointed to the panel for a period of 3 (three) years.
- 8.11 Bidders will be required to submit a declaration signed by each resource submitted confirming their availability on project by project basis. These will be issued with the Terms of Reference.

**NB:** No payment shall be made should the Provincial SCM or the relevant client not be satisfied with the standard/performance of deliverables.

## 9. EVALUATION GUIDE

9.1 The selection of service providers to be placed on the panel will be subject to the criteria set out in **Evaluation Criteria**.

9.2 Guide for the selection of suitable service providers will be undertaken on the following basis:

9.2.1 The **experience** of the bidder in the Contract Management field:

### (a) Company Experience

The following must be submitted:

- A **company profile** including history, group structure, operations, logistics and related companies and services; illustrating how they are structured to provide Contract Management support and years of experience in the Contract Management field. The bidder must indicate Years of experience in the company profile, but scoring will be based on the actual projects completed.
- Experience in Contract Management excludes: **Auditing and Financial Management**.

A **maximum of three (3) contactable reference letters from clients** must be provided detailing the actual work completed that relate to the Contract Management support in line with the public sector legislation.

It is incumbent upon the service providers to ensure that the references submitted shall be willing to confirm the bidder.

### (b) Approach and Methodology

The bidder must demonstrate the understanding of the contract management by elaborating on methodology and approach that would be required to successfully execute an assignment. The bidder must submit a detailed project plan indicating the following:

- **Developing, implementing, monitoring and managing solutions to address the contract management**
- The solutions must include compliance with applicable legislation and best practices relating to the contract management and must include the detailed scope of work to be performed.
- **Reporting**
  - Reporting processes relevant to the contract management;
  - Reporting tools to be developed and implemented;
  - Templates and checklists

**(c) Capacity Building Initiatives**

A maximum of two (2) contactable reference letters from clients must be provided confirming that capacity building initiatives was successfully provided.

**(d) Policy Development**

A maximum of two (2) contactable reference letters from clients must be provided confirming that Contract Management policy was successfully developed in line with the applicable legislation and there were no adverse opinions on the developed policies that were found by Auditor General.

**(e) Contract Management Interventions**

A maximum of two (2) contactable reference letters from clients clearly stating the types of Contract Management interventions that were successfully executed by the service provider must be submitted with the offer to this bid.

**NB: All letters must be detailed with all the requested information in order for them to be considered. Failure to submit detailed letters shall result to no points granted for functionality criteria.**

**10. EVALUATION CRITERIA**

Evaluation will be based on:

Evaluation Element	
Phase 1	Pre-qualification criteria
Phase 2	Mandatory requirements
Phase 3	Functionality criteria

**10.1 PHASE 1 – PRE-QUALIFICATION CRITERIA**

In terms of Regulations 3(b) and 4 of the Preferential Procurement Policy Framework Act (PPPFA) Regulations, 2017, the Department intends to apply a pre-qualification criterion for this bid. Only entities who qualify in terms of the criteria outlined below will be evaluated further Phases 2, which is Mandatory Requirements.

Only bidders who meet the below pre-qualification criteria may respond to this bid:

- B-BBEE status level 1 and/or
- EME or QSE

The bidder must substantiate that they meet the above pre-qualification criteria by submitting the compulsory relevant evidence to claim the B-BBEE status level. **Failure to submit the information listed below shall nullify the bid submitted:**

- B-BBEE certificate indicating the B-BBEE status level of contributor. The B-BBEE certificate must be issued by a SANAS accredited verification agency. **or**
- A duly completed sworn affidavit signed by the deponent and commissioned by the authorised commissioner of oaths. The sworn affidavit must indicate the **year** on which the **annual total revenue** is based on and the level of black ownership that is claimed **or**
- A trust, consortium, or joint venture (including unincorporated consortia and joint ventures) must submit a **consolidated B-BBEE status level certificate**.

**Bids, which do not comply with the pre-qualification requirement/s, will not be considered for Phase 2.**

**10.2 PHASE 2: MANDATORY REQUIREMENTS FOR ADMINISTRATIVE COMPLIANCE**

During this phase of evaluation, the offer submitted by the bidder shall be evaluated on compulsory administrative compliance on the requirements listed hereunder. Failure to meet any of the requirements listed below shall invalidate the bid. The following mandatory documents must be submitted for administrative compliance assessment:

**MANDATORY REQUIREMENTS FOR ADMINISTRATIVE COMPLIANCE**

CSD Registration	The Entity must be registered as a service provider on the Central Supplier Database (CSD). If you are not registered proceed to complete the registration of your company prior to submitting your proposal.
Declaration of Interest – SBD 4	Completed and signed
Declaration of Bidder’s Past Supply Chain Management Practices – SBD 8	Completed and signed
Certificate of Independent Bid Determination – SBD 9	Completed and signed
Authority to Sign a Bid: <b>COMPANIES</b>	Section J: Paragraph <b>A</b> must be completed and signed. If a Bidder is a company, a <b>certified copy</b> of the resolution by the board of directors, personally signed by the <b>chairperson of the board</b> , authorizing the person who signs this bid to do so, as well as to sign any contract resulting from this bid and any other documents and correspondence in connection with this bid and/or contract on behalf of the company
Authority to Sign a Bid: <b>SOLE PROPRIETOR (ONE – PERSON BUSINESS)</b>	Section J: paragraph <b>B</b> must be completed and signed
Authority to Sign a Bid: <b>PARTNERSHIP</b>	Section J: Paragraph <b>C</b> must be completed and signed. Particulars in respect of every partner must be furnished and signed by every partner
Authority to Sign a Bid: <b>CLOSE CORPORATION</b>	Section J: Paragraph <b>D</b> must be completed and signed. A <b>certified copy</b> of the Founding Statement of such corporation shall be included with the bid, together with the <b>resolution by its members</b> authorizing a member or other official of the corporation to sign the documents on their behalf
Authority to Sign a Bid: <b>CO-OPERATIVE</b>	Section J: Paragraph <b>E</b> must be completed and signed. A <b>certified copy of the Constitution</b> of the co-operative must be included with the bid, together with the <b>resolution</b> by its members authorizing a member or other official of the co-operative to sign the bid documents on their behalf



<p>Authority to Sign a Bid: <b>JOINT VENTURE</b></p>	<p>Section J: Paragraph <b>F</b> must be completed and signed. A certified copy of the resolution/agreement passed/reached signed by the duly authorized representatives of the enterprises, authorizing the representatives who sign this bid to do so, as well as to sign any contract resulting from this bid and any other documents and correspondence in connection with this bid and/or contract on behalf of the joint venture must be submitted with this bid</p>
<p>Authority to Sign a Bid: <b>CONSORTIUM</b></p>	<p>Section J: Paragraph <b>G</b> must be completed and signed. A certified copy of the resolution/agreement passed/reached signed by the duly authorised representatives of concerned enterprises, authorizing the representatives who sign this BID to do so, as well as to sign any contract resulting from this BID and any other documents and correspondence in connection with this BID and/or contract on behalf of the consortium must be submitted with this BID</p>

**Bids, which do not comply with the Mandatory requirements, will not be considered for Phase 3.**

**10.3 PHASE 3: FUNCTIONALITY CRITERIA**

Proposals will be evaluated on functionality in accordance with the following matrix.

<b>FUNCTIONALITY CRITERIA</b>			<b>SCORE</b>
<b>DESCRIPTION</b>	<b>Evaluation Criteria</b>	<b>Points</b>	<b>Maximum Points</b>
<p><b>Company Experience</b></p>	<p>A company profile including history, group structure, operations, logistics and related companies and services; illustrating how they are structured to provide Contract Management support and years of experience in the Contract Management field. The bidder must indicate Years of experience in the company profile, but scoring will be based on the actual projects completed.</p>	<p>No letter relevant to Contract Management = <b>0 point</b></p> <p>1 letter relevant to Contract Management = <b>5 points</b></p> <p>2 letters relevant to Contract Management = <b>10 points</b></p> <p>3 letters relevant to Contract Management = <b>15 points</b></p>	<p><b>15</b></p>

	<p>A maximum of three (3) contactable reference letters from clients must be provided detailing the actual work completed that relate to the Contract Management support in line with the public sector legislation.</p> <p>It is incumbent upon the service providers provide to ensure that the references submitted shall be willing to confirm the bidder.</p>		
<p><b>Methodology and Approach</b></p>	<p>The bidder must demonstrate the understanding in contract management by elaborating on methodology and approach that would be required to successfully execute an assignment.</p> <p>The bidder must submit a detailed project plan indicating the following:</p> <ul style="list-style-type: none"> <li>▪ Developing, implementing, monitoring and managing solutions to address the contract management</li>   <li>▪ Reporting:</li> </ul>	<p>➤ Developing = <b>5 Points</b></p> <p>Not submitted/ not relevant to contract management = <b>0</b></p> <p>➤ Implementing = <b>5 Points</b></p> <p>Not submitted/ not relevant to contract management = <b>0</b></p> <p>➤ Managing = <b>5 Points</b></p> <p>Not submitted/ not relevant to contract management capacity building initiative = <b>0</b></p> <p><b>Reporting</b></p> <p>➤ Template &amp; checklist the bidder will be using = <b>1 Points</b></p> <p>Not submitted/ not relevant to contract management = <b>0</b></p>	<p style="text-align: center;"><b>25</b></p>

		<p>➤ Reporting processes relevant to the contract management = <b>2 Points</b></p> <p>Not submitted/ not relevant to contract management = <b>0</b></p> <p>➤ Reporting tools to be developed and implemented = <b>2 Points</b></p> <p>Not submitted/ not relevant to contract management = <b>0</b></p>	
<b>capacity building initiatives</b>	A maximum of two (2) contactable reference letters from clients must be provided confirming that Contract Management capacity building initiative was successfully provided.	<p>No letter = <b>0 point</b></p> <p>1 letter = <b>5 points</b></p> <p>2 letters = <b>10 points</b></p>	<b>10</b>
<b>Policy Development</b>	A maximum of two (2) contactable reference letters from clients must be provided confirming that Contract Management policies were successfully developed in line with the applicable legislation and there were no adverse opinions on the developed policies that were found by Auditor General.	<p>No letter = <b>0 point</b></p> <p>1 letter = <b>5 points</b></p> <p>2 letters = <b>10 points</b></p>	<b>10</b>
<b>Contract Management Interventions</b>	A maximum of two (2) contactable reference letters from clients clearly stating the types of Contract	<p>No letter = <b>0 point</b></p> <p>1 letter = <b>5 points</b></p> <p>2 letters = <b>10 points</b></p>	<b>10</b>

	Management interventions that were successfully executed by the service provider must be provided with the offer.		
<b>Total Score</b>			<b>70</b>
<b>Minimum Functionality threshold 50%</b>			

No service provider who scores less than (50%) on functionality criteria will be considered for placement on the panel.

#### 11. VIRTUAL BRIEFING SESSION

Service providers who wish to attend the virtual briefing session need to submit their company names, email addresses and telephone number to [acquisition@kzntreasury.gov.za](mailto:acquisition@kzntreasury.gov.za) by no later than 31 August 2021. Only those who send their details will be invited to attend the virtual briefing session.

The briefing will be held as follows:

Date: 02 September 2021

Time: 10:00

#### 12. TIMEFRAME

The panel will be appointed for a period of three (3) years from the date of appointment.

#### 13. ADDRESS AND DEADLINE FOR SUBMISSION OF BIDS

Bids by prospective Service Providers must be handed in/delivered to:

The Bid Box, located in the ground floor at the Treasury House

**Attention: CFO- Supply Chain Management**

KZN Provincial Treasury

145 Chief Albert Luthuli Street

Pietermaritzburg

3200

**By no later than 11:00 on the 13<sup>th</sup> of September 2021**

The KZN Provincial Treasury will record only bids received before the deadline.

Should there be any enquiries, please direct them to the following officials:

Technical enquires: Mrs L Naidoo

Tel: **033 897 4477**

Technical enquires: Ms N. Kubheka

Tel: **033 897 4407**

Supply Chain Management enquiries: Ms N. Khuzwayo

Tel: **033 897 0458**

Supply Chain Management enquiries: Ms T Makhathini

Tel: **033 897 4440**

