



INVITATION TO BID (OPEN TENDER)

DATE OF ISSUE: 6th JULY 2018

**YOU ARE HEREBY INVITED TO BID FOR THE REQUIREMENTS OF GAUTENG
GROWTH AND DEVELOPMENT AGENCY**

BID NUMBER: GGDA/04/2018-19/INSURANCE

CLOSING DATE: 6th AUGUST 2018

CLOSING TIME: 11:00

BID VALIDITY PERIOD: 90 DAYS

BRIEFING SESSION: COMPULSORY BRIEFING SESSION

BRIEFING SESSION VENUE: GAUTENG GROWTH & DEVELOPMENT AGENCY OFFICES
124 MAIN STREET, 10th FLOOR BOARDROOM
CORNER MAIN & KRUIS STREET
JOHANNESBURG

BRIEFING SESSION TIME: 12h00

BRIEFING SESSION DATE: 20th JULY 2018

DESCRIPTION: APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE
GAUTENG GROWTH AND DEVELOPMENT AGENCY (GGDA) WITH
A 3 YEARS SHORT-TERM GROUP INSURANCE SERVICES

BID SUBMISSION REQUIREMENTS: 2 ENVELOPES.
SUBMISSIONS MUST BE SUBMITTED IN ONE ORIGINAL
AND TWO COPIES

TECHNICAL (1 ORIGINAL AND 2 COPY)
FINANCIAL (1 ORIGINAL AND 2 COPY)
(FAILURE TO COMPLY WITH THE TWO ENVELOPE SYSTEM WILL LEAD TO
TOTAL DISQUALIFICATION)

**BID DOCUMENTS MUST BE DEPOSITED IN THE BID BOX SITUATED AT: 15TH FLOOR, 124 MAIN
STREET, JOHANNESBURG.**

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CONDITIONS FOR COMPLETING BID DOCUMENTS

Document	Comments	Submitted? (Yes / No)
SBD 1 (Invitation to bid)	Make sure it is signed	
SBD 2 (Tax Clearance Certificate)	Certificate must be original and valid	
SBD 3.3 (Pricing schedule)	Filled or refer to an Annexure or addendum where price is mentioned	
SBD 4 (Declaration of interest)	Make sure it is signed	
SBD 6.1 and 6.2 (Preference Points in terms of PPPFA of 2017)	Make sure it is completed and points claimed are allocated as per BBBEE certificate	
SBD 8 (Declaration of Bidder's past supply chain management practices)	Make sure it is signed	
SBD 9 (Certificate of Independent Bid Determination)	Make sure it is signed	
Certified copies of Original of Company Registration Documentation NB: Certification stamp must be original and no more than 3 months old as at date of closing of tender	1. certificate of registration, 2. change of name certificate (if applicable) 3. register of directors, and most current registered business address (Company Registration: CM1 and CK1, Change of Name Certificate:CM9, Latest Registered address: CM22, Most current register of directors CM29 and CK2)	
Total Bid Price	Total bid price should NOT be completed but form part of the financial submission	
Vat Registration Certificate	If applicable	
BBBEE Certificate & BBBEE Statement	Valid certified copies must be submitted	
Company Profile	Include structure of the company	
Certified copies of Share Certificates	For all current shareholders if applicable	
Certified copies of identity documents	For all current shareholders / members	

IF ANY OF THE ABOVEMENTIONED CONDITIONS IS NOT MET AND/OR ANY OF THE REQUESTED DOCUMENTS ARE NOT SUBMITTED AS PRESCRIBED, THE BID EVALUATION COMMITTEE SHALL HAVE THE DISCRETION TO DISQUALIFY THE BID

1. Bid Documents must be completed with ink (Blue or black) and not typed. No tippex is allowed. All changes must be scratched out and a signature appended next to each change.
2. All certified documents must be within the current six (6) months. Copies of previously certified documents will not be accepted and may result in automatic disqualification.
3. Bid documents must be secured together preferably bound or contained in a lever arch file as Gauteng Growth and Development Agency will not take any responsibility for any loss of documents as a result of not being properly secured upon submission.

PART A

A.1.1. CONDITIONS OF BIDDING

1 Proprietary Information

- 1.1 The GGDA considers this tender and all related information, either written or verbal, which is provided to the respondent, to be proprietary to GGDA. It shall be kept confidential by the respondent and its officers, employees, agents and representatives. The respondent shall not disclose, publish, or advertise this specification or related information to any third party without the prior written consent of GGDA.

2 Enquiries

- 2.1 All communication and attempts to solicit information of any kind relative to this tender should be in writing and channeled to: Email address: kgalaletsos@ggda.co.za and menoel@ggda.co.za
- 2.2 Please note that the last date for request for information pertaining to this tender will be on the **27th July 2018**
- 2.3 **Bidders may not contact any other GGDA/GIDZ employee besides contact person mentioned on Paragraph 2.1 above on any matter pertaining to the bid from the time when bid is advertised to the time the bid is awarded. Any effort by a bidder to influence bid evaluation, bid comparisons or bid award decisions in any manner, may result in rejection of the bid concerned.**
- 2.4 All the documentation submitted in response to this tender must be in English.
- 2.5 The Bidder should check the numbers of the pages to satisfy themselves that none are missing or duplicated. No liability will be accepted by GGDA in regard to anything arising from the fact that pages are missing or duplicated.

3 Validity Period

- 3.1 Responses to this tender received from suppliers will be valid for a period of **90 days** counted from the closing date of the tender.

4 Submission of Tenders

- 4.1 Tenders should be submitted in duplicate all bound in a sealed envelope endorsed, **GGDA/04/2018-19/INSURANCE**. The sealed envelopes must be placed in the tender box at 15th Floor, 124 Main Street, Johannesburg by no later than **11h00 on 6th August 2018**
- 4.2 The closing date, company name and the return address must also be endorsed on the envelope. If a courier service company is being used for delivery of the bid document, the bid description must be endorsed on the delivery note/courier packaging to ensure that documents are delivered into the BID BOX.
- 4.3 No bid received by telegram, telex, email, facsimile or similar medium will be considered. Where a tender document is not in the tender box at the time of the bid closing, such a bid document will be regarded as a late bid. Late bids will not be considered.
- 4.4 Amended bids may be sent, together with the original bid, in an envelope marked "Amendment to bid" and should be placed in the bid box before the closing date and time. An amendment bids without original bid document will not be considered.

- 4.5 The bidder is responsible for all the cost that they shall incur related to the preparation and submission of the bid document.
- 4.6 Kindly note that **GGDA** is entitled to amend any bid conditions, validity period, specifications, or extend the closing date of bids before the closing date. All bidders, to whom the bid documents have been issued, will be advised in writing of such amendments in good time.
- 4.7 **GGDA** reserves that right not to accept the lowest bid of any tender in part or in whole. It normally awards the contract to the bidder who proves to be fully capable of handling the contract and also financially advantageous to **GGDA**.
- 4.8 GGDA also reserves the right to award this bid to a purely empowerment company or may award this bid on conditions that a joint venture with an empowerment company is formed. This may be added to the criteria when evaluating the bids.
- 4.9 GGDA also reserves the right to award this bid as a whole or in part without furnishing reasons.
- 4.10 GGDA reserves the right to, amongst other things, conduct unscheduled or scheduled site visit/s to satisfy itself, as to the validity of the information provided on this bid documents.
- 4.11 An incomplete price list shall render the bid non-responsive.
- 4.12 All Conditions in the Joint Building Contracts Committee (JBCC) will apply, however Special Conditions of Contract (SCC) as outlined herein will supersede other conditions. N/A to this bid

A.1.2 TAX CLEARANCE CERTIFICATE REQUIREMENTS

SBD 2

It is a condition of bid that the taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.

1. In order to meet this requirement bidders are required to complete in full the attached form TCC 001 "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate.
2. Requirements are also applicable to foreign bidders / individuals who wish to submit bids.
3. SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
4. The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.
5. In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.
6. Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website www.sars.gov.za.
7. Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website www.efiling.co.za

SECTION B: TERMS OF REFERENCE

APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE GAUTENG GROWTH AND DEVELOPMENT AGENCY (GGDA) WITH A 3 YEARS SHORT-TERM GROUP INSURANCE SERVICES

1. INTRODUCTION

The Gauteng Growth and Development Agency Group (GGDA) was established on the 1 June 2013 following a merger the former Blue IQ Investment Holdings (Pty) Ltd and GEDA (Gauteng Economic Development Agency). GGDA Group is a schedule 3 (c) public entity established in terms of the PFMA. It reports to the Gauteng Department of Economic Development (GDED)

GGDA has five subsidiary agencies that it wholly owns, namely, the Automotive Industry Development Centre (AIDC), The Innovation Hub (TIH), Gauteng Industrial Development Zone (IDZ), Constitution Hill (Conhill) and Greater Newton Development Company (GNDC). These subsidiaries, by virtue of their ownership by GGDA also conduct themselves as schedule 3C public entities.

In terms of its governance arrangements, GGDA Group is accountable to both GDED and an independent board that has been established in terms of the companies act. Similarly, boards have also been established to each of the subsidiaries to comply with the Companies Act.

2. BACKGROUND ON THE SERVICE REQUIREMENTS

In the normal course of business, the GGDA Group encounters numerous risks. The GGDA Group in mitigating its risks wishes to cost effectively transfer some of it by taking out short term insurance.

The GGDA Group requires the services of a reputable, capable and effective bidder that is a registered member of The Financial Intermediaries Association (FIA) and registered with the Financial Services Board (FSB), confirm support for the Financial Services Charter and adherence to the King IV guidelines, to provide insurance broking services and claims services in all aspects of the GGDA Group business. The bidder should ensure that services in line with industry standards are quoted for.

3. OBJECTIVES OF THIS TENDER

To appoint a short-term insurance broker for GGDA, Newtown, ConHill, GIDZ, AIDC, and TIH for a period of 3 years to provide the following services:

- a) Insurance brokering services
- b) Claims services for all policies taken through the broker

4. SCOPE

4.1 Performance specifications: -

4.1.1 Placement of GGDA Group Insurance Portfolio Effective From 1 September 2018

Regarding the placement of GGDA Group insurance portfolio the appointed Service Provider will be required to perform the following:

- a) Assess GGDA Group insurance requirements as reflected in the tender specification
- b) Collect updated information from GGDA Group with regard to the latest insurance statistics and submit this information to the Insurance Underwriters
- c) Negotiate with the Insurance Underwriters on suitable insurance terms and premiums based on the quotation submitted by Service Provider
- d) Attend Insurance pre-placement meeting/s with GGDA Group when appointed beginning of each subsequent financial period to discuss the underwriters terms and premiums

- e) Advise GGDA Group and provide quotations on additional insurance cover that could be necessary for GGDA Group to take out to ensure that GGDA Group risk is minimised

4.1.2 Underwriting Administration

Regarding the underwriting administration functions the appointed Service Provider will be required to perform the following:

- a) Provide quotations on any additional insurance cover required by GGDA Group and place the insurance cover with the insurance underwriters on GGDA Group instruction.
- b) Provide GGDA Group with written confirmation thereof together with details of the insurance cover placed
- c) Meet with GGDA Group officials whenever required by either party to discuss or advice on insurance cover.
- d) Based on past experience quarterly meetings are expected to take place during the year to resolve insurance issues. Either party may call a meeting to discuss or advice on any related matter

4.1.3 Claim Administration

Regarding the claim administration functions the appointed Service Provider will be required to perform the following:

- a) Administer all GGDA Group insurance claims which fall under the various insurance policies which includes administration of all the claims that fall within the aggregated deductibles
- b) Administer all claims received by liaising with the third part on behalf of GGDA Group
- c) Meet with GGDA Group officials individually or in groups to discuss and provide advice on insurance claims
- d) Submit monthly updated reports on all GGDA Group claims

4.2 Technical Requirements:

A detailed scope of services will relate to the following insurance covers;

4.2.1 Board, Executives and Employees Liabilities

A cover to the GGDA Group arising from numerous threats and its management, including security litigation, employment practices, fiduciary or crime related Loss, accidental injury or death and fiduciary liabilities.

- A. **Fidelity Guarantee**, to cover direct financial loss due to acts of fraud, forgery, alteration, robbery, and safe burglary, computer fraud or dishonesty by employees resulting in dishonest personal financial gain.
- B. **Directors Liability**, to protect the claims made by or against the GGDA's Group directors

Table 1: No of directors per entity

Entity Name	No of Directors
GGDA	10
Conhill	5
Newtown	3
IDZ	3
TIH	8

- C. **Public Liability**, to protect the GGDA Group against claims involving illness, injury, death, damages to third party property including but not limited to; defamation, defective workmanship and products.
- D. **Group personal accident**, to cover bodily injury caused by accidental, violent, external and visible means to any interns/learnership/students employed.
- E. **Protection of Personal Information (PoPI)**, to protect the claims made against GGDA with regard to the collection, processing, storage and sharing of personal information.

4.2.2 Assets

To cover all the tangible and non-tangible assets belonging to the GGDA Group or which the GGDA Group has any propriety or pecuniary interest against loss or damage caused by fire or ailed perils including electronic breakdown.

- A. **Electronic equipment, furniture and office equipment**, to cover on electronic business equipment including computers, laptops, licensed software, office furniture, facilities equipment etc.
- B. **Stock**, to cover on goods that forms part of the GGDA business activity.
- C. **Stock in transit**, to cover on transportation of stock anywhere in South Africa, offshore, and African countries.
- D. **Motor fleet**, fully comprehensive cover on all vehicles owned, hired, leased, borrowed or used by the insured, including vehicles held in trust or in the custody or under control or care of the insured. Third party insurance for vehicles kept on the road, business use in neighbouring countries, out-in-Africa etc.
- E. **Money**, a cover on any negotiable instrument including cash cheques, credit card vouchers etc.
- F. **Commercial Property/Building cover, SASRIA, property terrorism and sabotage'** fire explosion, earthquake, power surges, alterations and additions etc.

TABLE 2: - FIXED ASSETS REGISTER SUMMARY AT 31 MARCH 2018 - NET BOOK VALUES
(Values subject to change when the bid is issued)

Category	GGDA	Conhill	IDZ	TIH	AIDC	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Land and Building	-	-	-	108 537	-	108 537
Furniture and fixtures	4 360		436	5 500	-	10 296
Furniture WIP	-	2 020	-		-	2 020
Motor Vehicles	130		-	628	-	758
Office equipment		3 669	77	3 365	-	7 111
IT Equipment	5 163	1 644	-	11 937	-	18 744
Infrastructure		5 101	-		-	5 101
Facilities equipment		1 039	-	3 308	-	4 347
Subtotal : PPE	9 653	13 473	513	133 275	0	156 914
Investment property	-	98 823	195 106	205 231	43 000	542 160
Heritage assets	-	188 515	-	-	-	188 515
Intangible assets	1 520	-	-	340	-	1 860
Grand total	11 173	300 811	195 619	338 846	43 000	889 449

4.2.3 Business Interruption

A cover for financial loss suffered following interruptions of the GGDA Group business.

This should include but not limited to, fixed expenses, operating expenses, additional working expenses and SASRIA.

4.2.4 Travel

A cover for an employee of the GGDA Group whilst travelling on domestic or international journeys for business incurs Medical and Related Expenses as a result of illness or injury or liability.

4.2.5 Events

A cover that indemnifies the GGDA Group for damages which the event organizer (GGDA Group), shall become legally liable to pay consequent upon accidental death of or bodily injury to or illness of any person or accidental loss of or physical damage to occurring within the territorial limits during the period of Insurance in the course of or in connection with the event.

4.2.6 Professional liability

All Damages resulting from any Claim for any Breach of Duty of the Insured that helps to protect professional advice of GGDA Group employees from bearing the full cost of defending against a negligence claim made by a client, and damages awarded in such a civil lawsuit. The coverage focuses on alleged failure to perform on the part of, financial loss caused by, and error or omission in the service or product sold by the policyholder.

5 GENERAL

The portfolios identified at this stage does not necessarily limit the scope of work. It is expected that the bidder advise the GGDA Group of any other relevant portfolios and other important issues not covered

Bidders are encouraged to suggest additional improvements and value adds related to the rendering of corporate short term insurance. Details of value add must be submitted as part of the responses to the bid and indicated as such.

TABLE 3: - Turnover per entity as at 31 March 2018

Name of entity	Revenue from exchange transaction	Revenue from Non-exchange transaction	Other income	Total
	R'000	R'000	R'000	R'000
GGDA	0	510 454	2 140	512 594
Conhill	16 674	45 673	3 249	65 596
Newtown	13 198	0	0	13 198
IDZ	0	65 159	0	65 159
TIH	34 078	127 717	644	162 439

6 PROPOSAL CONTENT

The proposal should cover the following contents:

An indication as to understanding of the performance specifications and the bidder's ability to provide the required services. In addition, the bidder must demonstrate its experience and knowledge in providing the technical requirements.

Specifically, the bidder must provide the following information:

- a) Provide information that will assist the GGDA Group to assess the bidder's capabilities, capacity, competitive advantages, etc., for instance, in house skills, previous experience, etc., The bidder must clearly demonstrate its ability to provide excellent service that will ensure a successful trouble-free insurance broking services.
- b) Provide proof demonstrating bidder's prior experience and the necessary skill to provide the required services, including a detailed reference list (letters of references) including previous Projects completed, a list of current and past clients (in the public and private sector) along with the names and telephone numbers of contact persons, the value of and the number of years that services were provided for.
- c) Provide the names and qualifications of the bidder's staff members who would be on the project, kindly attach the detailed resumes.
- d) Provide the names and qualifications of any outside specialists and consultants, if applicable, who would assist bidder on various aspects of the functions to be performed.
- e) The bidder should clearly demonstrate that it has the necessary resources to be able to render the services.
- f) Review and advice the GGDA Group institutional insurance policy.
- g) The ability to provide reports to the Corporation on claims and recoveries.

7 BID EVALUATION CRITERIA

7.1 Evaluation Stage 1: -

In line with Preferential Procurement Regulation 2017 (PPR2017, par4.1) an institution/organ of state can identify Prequalification that it must be used in identified tenders to advance designated groups on the basis of B-BBEE Status Level of contributor.

The following Prequalification Criteria apply (Compulsory submission): -

- The bidder must be a member of the Financial Intermediaries Association (FIA). Proof of such membership must be submitted with the tender (Certified copy)
- The bidder must provide details of their Financial Advisory and Intermediary Services Act (FAIS Act) compliancy i.e. Certified copy of FAIS certificate must be submitted with the tender
- The bidder must provide proof of registration with the Financial Services Board (FSB) specific to insurance sector
- Proof of agency agreements with underwriters (if these cannot be provided, a letter from the underwriter confirming an agreement as in place must be provided)
- Confirmation of Professional Indemnity Cover/ Errors and omissions – **Minimum of R100 million**

NB: A tender that fails to meet any pre-qualifying criteria stipulated above is an unacceptable tender

7.2 Evaluation Stage 2: -

The following Functionality Score Criteria will apply: -

The preference procedure for evaluation of responsive Tender offers shall be the **80/20**-point preference system, being a maximum of 80 points for price and a maximum of 20 points for B-BBEE Status level of Contributor substantiated by the Broad-Based Black Economic Empowerment Status Level Certificate to be submitted in accordance with Regulation 10 of the Preferential Procurement Regulations, 2017 (As Amended).

The procedure for the evaluation of responsive tenders will be as follows: -

1st on Functionality

2nd on Price & BBBEE (for bidders who met the minimum required functionality points of 70)

FUNCTIONALITY / QUALITY CRITERIA		Maximum Points	Point Scored
DESCRIPTION	TYPE OF EVIDENCE REQUIRED	100	
<p>1. METHODOLOGY & PROPOSAL (high level methodology including rational, strategy and approach of the market)</p> <ul style="list-style-type: none"> ▪ Demonstrate the approach and understanding of the insurance industry in terms of how the service provider will conduct services between the insurer and the insured = (max = 15 Points) <ul style="list-style-type: none"> ➢ Excellent Understanding=15; ➢ Acceptable understanding=10; ➢ Poor understanding= 0) ▪ Value added services and innovation to performance specifications and 	<ul style="list-style-type: none"> • Comprehensive proposal submitted addressing all the requirements as per tender scope. • Proposal should cover valued added service and innovation • Repots for the past three years indicating the turnaround time on claims 	30	

FUNCTIONALITY / QUALITY CRITERIA		Maximum Points	Point Scored
DESCRIPTION	TYPE OF EVIDENCE REQUIRED	100	
<p>methodology over and above the what is required = (max = 5 points)</p> <ul style="list-style-type: none"> ▪ <i>Excellent Understanding</i>= 5; ▪ <i>Acceptable understanding</i>=2; ▪ <i>Poor understanding</i>= 0 <ul style="list-style-type: none"> ▪ Claims handling services - Turnaround time = (max = 10 points) <ul style="list-style-type: none"> ▪ within 30 days = 10 points, ▪ more than 30 days and less than 60 days = 5 points, ▪ more than 60 days = 0 points 			
<p>2. RELEVANT EXPERIENCE OF KEY PERSONNEL ASSIGNED TO GGDA GROUP ACCOUNT: -</p> <ul style="list-style-type: none"> ▪ More than ten (10) years' experience = (15 Points) ▪ 10 to 7 years' of experience = (10 Points) ▪ 6 to 3 years' of experience = (5 Points) ▪ Less than 3 years of experience = (0 Points) 	<ul style="list-style-type: none"> • Attach CVs including number of years; professional qualifications of all personnel involved. • NB: Evaluated individuals as per submitted CV's will be required to work on the project 	15	
<p>KEY PERSONNEL RELEVANT QUALIFICATION AND FINANCIAL INTERMEDIARY ASSOCIATION MEMBERSHIP (FIA)</p> <ul style="list-style-type: none"> ▪ Honours and above in finance/insurance = (15 points) ▪ Degree in finance/insurance = (10 points) ▪ Diploma in Finance/insurance = (5 points) 	<ul style="list-style-type: none"> • Attach CVs including number of years; • Certified copies of professional qualifications of all personnel involved. • Attach Financial Intermediary Association membership (FIA) for all key personnel involved • NB: If <u>Certified</u> Qualification and Membership is not attached, those CV's will be disqualified • NB: Only Evaluated individuals as per submitted CV's will be required to work on the project 	15	

FUNCTIONALITY / QUALITY CRITERIA		Maximum Points	Point Scored
DESCRIPTION	TYPE OF EVIDENCE REQUIRED	100	
<p>3. COMPANY EXPERIENCE Company's experience to brokering services, company experience in conducting assignments of similar nature and scope.</p> <ul style="list-style-type: none"> • More than ten (10) years' experience = (15 Points) • 10 to 7 years of experience = (10 Points) • 6 to 4 years of experience = (5 Points) • Less than 4 years of experience = (0 Points) 	<ul style="list-style-type: none"> • Company profile with credentials submitted which clearly shows number of years in the insurance industry 	15	
<p>4. UNDERWRITERS Use of well-known accredited underwriters with a good track record – give rating of underwriters.</p> <ul style="list-style-type: none"> • A rating = 15 • B rating = 10 • C rating and below = 5 	<ul style="list-style-type: none"> • Proof of underwrites ratings and affiliation to underwrites 	15	
<p>5. RELEVANT AND CONTACTABLE REFERENCES SIMILAR TO OUR SCOPE OF WORK (INSURANCE)</p> <ul style="list-style-type: none"> • More than five (5) letters of references = 10 points • 2 to 5 letters of reference submitted = 5 points • 0 to 1 letter submitted = 0 points 	<ul style="list-style-type: none"> • Reference letter with contactable details similar to the scope of this tender. 	10	
TOTAL SCORE		100	
MINIMUM SCORE REQUIRED		70 POINTS	

The minimum threshold for the functionality evaluation is **70 points**. The Tenderers that do not meet this minimum threshold will not proceed to the next stage of evaluation of the tender.

Price and BBEE

Bidders that met the minimum functional score of 70 points will be evaluated on Price and BBEE as per preferential system of 80/20.

B-BBEE Evaluation:

- Bidders must submit valid BBEE Certificates & Statements which will be verified by the agencies.
- For purpose of comparison and in order to ensure a meaningful evaluation, Service providers are requested to furnish detailed information in substantiation of compliance to the evaluation criteria for BEE.
- Qualifying bids will be further evaluated in terms of the 80/20 if less than R50 000 000.00 preference point systems (20 allocated to BBEE and 80 allocated to price).

BBEE & Price will be evaluated according to the preference point system as outlined below B-BBEE	20 points for less than R50,000,000.00
BBEE Status Level of Contributor	Number of Points
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

- Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA’s approval for the purpose of conducting verification and issuing EMEs with B-BBEE Status Level Certificates.
- Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.
- A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

8 FINANCIAL PROPOSAL/COSTING (TO BE PRESENTED ON SEPARATE ENVELOP - 2nd Envelop)

SBD 3.1

PRICING SCHEDULE – FIRM PRICES

NOTE: ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED

IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT

Name of bidder..... Bid number: GGDA/04/2018-19/INSURANCE.

Closing Time: 11:00 Closing date: 6th August 2018.....

OFFER TO BE VALID FOR...90 DAYS FROM THE CLOSING DATE OF BID.

Section	Annual Premium 1 September 2018 to 31 August 2019	Annual Premium 1 September 2019 to 31 August 2020	Annual Premium 1 September 2020 to 31 August 2021
Fidelity Guarantee			
Directors Liability			
Public Liability			
Group personal accident			
Protection of Personal Information (PoPI)			
Stock			
Stock in transit			
Motor fleet			
Money			
Commercial Property/Building cover, SASRIA, property terrorism and sabotage'			
Business Interruption			
Travel			
Events			
Professional liability			

EXCESS STRUCTURE

Section	Excess amount 1 September 2018 to 31 August 2019	Excess amount 1 September 2019 to 31 August 2020	Excess amount 1 September 2020 to 31 August 2021
Fidelity Guarantee			
Directors Liability			
Public Liability			
Group personal accident			
Protection of Personal Information (PoPI)			
Stock			
Stock in transit			
Motor fleet			
Money			
Commercial Property/Building cover, SASRIA, property terrorism and sabotage'			
Business Interruption			
Travel			
Events			
Professional liability			

PART B

**DECLARATION OF
INTEREST**

DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state¹, 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 a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favoritism, 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 authorized representative declare his/her position in relation to the evaluating/adjudicating authority where-

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

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

2.1 Full Name of bidder or his or her representative:

2.2 Identity Number:

2.3 Position occupied in the Company (director, trustee, shareholder²):

2.4 Company Registration Number:.....

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.

¹“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.

²“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 attached 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 bidding for this contract? **YES / NO**

2.11.1 If so, furnish particulars:

.....

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

Full Name	Identity Number	Personal Reference Number	Tax Number	State Number	Employee Pearsal 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 IN TERMS OF PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
 Signature

.....
 Date

.....
 Position

.....
 Name of bidder

**B2: THE NATIONAL INDUSTRIAL PARTICIPATION PROGRAMME
(CHOOSE ONLY IF APPLICABLE)**

This document must be signed and submitted together with your bid

INTRODUCTION

The National Industrial Participation (NIP) Programme, which is applicable to all government procurement contracts that have an imported content, became effective on the 1 September 1996. The NIP policy and guidelines were fully endorsed by Cabinet on 30 April 1997. In terms of the Cabinet decision, all state and parastatal purchases / lease contracts (for goods, works and services) entered into after this date, are subject to the NIP requirements. NIP is obligatory and therefore must be complied with. The Industrial Participation Secretariat (IPS) of the Department of Trade and Industry (DTI) is charged with the responsibility of administering the programme.

1 PILLARS OF THE PROGRAMME

- 1.1 The NIP obligation is benchmarked on the imported content of the contract. Any contract having an imported content equal to or exceeding US\$ 10 million or other currency equivalent to US\$ 10 million will have a NIP obligation. This threshold of US\$ 10 million can be reached as follows:
- a) Any single contract with imported content exceeding US\$10 million. Or
 - b) Multiple contracts for the same goods, works or services each with imported content exceeding US\$3 million awarded to one seller over a 2 year period which in total exceeds US\$10 million. Or
 - c) A contract with a renewable option clause, where should the option be exercised the total value of the imported content will exceed US\$10 million or
 - d) Multiple suppliers of the same goods, works or services under the same contract, where the value of the imported content of each allocation is equal to or exceeds US\$ 3 million worth of goods, works or services to the same government institution, which in total over a two (2) year period exceeds US\$10 million.
- 1.2 The NIP obligation applicable to suppliers in respect of sub-paragraphs 1.1 (a) to 1.1 (c) above will amount to 30 % of the imported content whilst suppliers in respect of paragraph 1.1 (d) shall incur 30% of the total NIP obligation on a pro-rata basis.
- 1.3 To satisfy the NIP obligation, the DTI would negotiate and conclude agreements such as investments, joint ventures, sub-contracting, licensee production, export promotion, sourcing arrangements and research and development (R&D) with partners or suppliers.
- 1.4 A period of seven years has been identified as the time frame within which to discharge the obligation.
- ### 2 REQUIREMENTS OF THE DEPARTMENT OF TRADE AND INDUSTRY
- 2.1 In order to ensure effective implementation of the programme, successful bidders (contractors) are required to, immediately after the award of a contract that is in excess of R10 million (ten million Rands), submit details of such a contract to the DTI for reporting purposes.

2.2 The purpose for reporting details of contracts in excess of the amount of R10 million (ten million Rands) is to cater for multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as provided for in paragraphs 1.1.(b) to 1.1. (d) above.

3 BID SUBMISSION AND CONTRACT REPORTING REQUIREMENTS OF BIDDERS AND SUCCESSFUL BIDDERS (CONTRACTORS)

3.1 Bidders are required to sign and submit this Standard Bidding Document (SBD 5) together with the bid on the closing date and time.

3.2 In order to accommodate multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as indicated in sub-paragraphs 1.1 (b) to 1.1 (d) above and to enable the DTI in determining the NIP obligation, successful bidders (contractors) are required, immediately after being officially notified about any successful bid with a value in excess of R10 million (ten million Rands), to contact and furnish the DTI with the following information:

- Bid / contract number.
- Description of the goods, works or services.
- Date on which the contract was accepted.
- Name, address and contact details of the government institution.
- Value of the contract.
- Imported content of the contract, if possible.

3.3 The information required in paragraph 3.2 above must be sent to the Department of Trade and Industry, Private Bag X 84, Pretoria, 0001 for the attention of Mr Elias Malapane within five (5) working days after award of the contract. Mr Malapane may be contacted on telephone (012) 394 1401, facsimile (012) 394 2401 or e-mail at Elias@thedti.gov.za for further details about the programme.

4 PROCESS TO SATISFY THE NIP OBLIGATION

4.1 Once the successful bidder (contractor) has made contact with and furnished the DTI with the information required, the following steps will be followed:

- (a) the contractor and the DTI will determine the NIP obligation;
- (b) the contractor and the DTI will sign the NIP obligation agreement;
- (c) the contractor will submit a performance guarantee to the DTI;
- (d) the contractor will submit a business concept for consideration and approval by the DTI;
- (e) upon approval of the business concept by the DTI, the contractor will submit detailed business plans outlining the business concepts;
- (f) the contractor will implement the business plans; and
- (g) the contractor will submit bi-annual progress reports on approved plans to the DTI.

4.2 The NIP obligation agreement is between the DTI and the successful bidder (contractor) and, therefore, does not involve the purchasing institution.

Bid Number _____	Closing Date _____
Name of Bidder _____	
Postal _____	Address _____

Signature _____	Name _____ Date _____

PART C – PREFERENCE POINT SYSTEM & LOCAL CONTENT

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

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

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

1. GENERAL CONDITIONS

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

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

1.2

- a) The value of this bid is estimated to not exceed R50 000 000 (all applicable taxes included) and therefore the **80/20** preference point system shall be applicable; or
- b) Either the 80/20 or 90/10 preference point system will be applicable to this tender (*delete whichever is not applicable for this tender*).

1.3 Points for this bid shall be awarded for:

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

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

	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
Total points for Price and B-BBEE must not exceed	100

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

3. POINTS AWARDED FOR PRICE

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

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

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

Where

P_s = Points scored for price of bid under consideration

P_t = Price of bid under consideration

P_{\min} = Price of lowest acceptable bid

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

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

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

5. BID DECLARATION

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

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

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

7. SUB-CONTRACTING

7.1 Will any portion of the contract be sub-contracted?
 (*Tick applicable box*)

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

7.1.1 If yes, indicate:

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

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

Designated Group: An EME or QSE which is at 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		
OR		
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 bidding process;

- (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
- (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
- (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution.

WITNESSES

1.

.....

SIGNATURE(S) OF BIDDERS(S)

DATE:

ADDRESS

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 bidding 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 bidding 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:**

Description of services, works or goods

Stipulated minimum threshold

_____	_____ %
_____	_____ %
_____	_____ %

3. Does any portion of the goods or services offered have any imported content?

(Tick applicable box)

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

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

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. 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: _____

**PART D –
DECLARATION OF
BIDDER’S PAST SCM
PRACTICES**

DECLARATION OF BIDDER’S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

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

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury’s database as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the <i>audi alteram partem</i> rule was applied).	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)? To access this Register enter the National Treasury’s website, www.treasury.gov.za , click on the icon “Register for Tender Defaulters” or submit your written request for a hard copy of the Register to facsimile number (012) 3265445.	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

SBD 9

D2: 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 consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)

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

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

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

Signature	Date
Position	Name of Bidder

PART E

E1: UNDERTAKINGS BY BIDDER IN RESPECT OF THIS BID

1. Definitions:

- 1.1 “The Board” means the accounting authority of Gauteng Growth and Development Agency appointed by the MEC;
- 1.2 “Chief Executive Officer” [“CEO”] means the CEO of Gauteng Growth and Development Agency or her/his duly authorised representative as appointed by the Board in concurrence with the MEC;
- 1.3 “Contract” shall include any schedule, drawings, patterns, samples attached any agreement entered into and all other Schedule hereto;
- 1.4 “Contractor(s)” means Bidder whose bid has been accepted by Gauteng Growth and Development Agency;
- 1.5 “Cost of materials” means the cost of components, parts or materials which are intended for the production, manufacturing or assembling of the goods bid for and which are not produced, manufactured or assembled in the factory where the production, manufacture or assembly of such goods occurs, including freight, landing costs, port charges, import duties and other import costs of such components, parts or materials and all costs in connection with the handling and transport thereof prior to delivery at that factory;
- 1.6 “Final delivery certificate” means the document issued by Gauteng Growth and Development Agency confirming that all the known defects have been rectified and that the works, goods or services appear in good order and have been accepted;
- 1.7 “Letter of acceptance” means the written communication by Gauteng Growth and Development Agency to the Contractor recording the acceptance by Gauteng Growth and Development Agency of Contractor’s bid subject to the further terms and conditions to be itemized in the contract;
- 1.8 “Local contents” means the portion of the bid price of local goods not constituting the cost of materials imported into the Republic;
- 1.9 “Local goods” means goods wholly or partly produced or manufactured or assembled in the Republic
- 1.10 “GGDA” shall mean Gauteng Growth and Development Agency;
- 1.11 “Order(s)” means an official letter issued by GGDA calling for the supply of goods pursuant to a contract or bid;
- 1.12 “Signature date” and in relation to any contract, means the date of the letter of acceptance;
- 1.13 “Bid” means an offer to supply goods/services to GGDA at a price;
- 1.14 “Bidder” means any person or body corporate offering to supply goods to GGDA;
- 1.15 “Termination date” in relation to any Contractor means the date of the final delivery certificate;
- 1.16 “Value added” means that portion of the bid price not constituting the cost of materials;
- 1.17 “Warranties” means collectively any and all warranties listed and otherwise (if any) given by the Bidder in term of this agreement.

2. Interpretation

- 2.1 In his agreement clause headings are for convenience and shall not be used in its interpretation and, unless he context clearly indicate a contrary intention:-
 - 2.2 An expression which denotes
 - any gender includes the other gender;
 - a natural person included an artificial or juristic person and vice versa;
 - the singular includes the plural and vice versa;
 - 2.3 Any reference to any statute, regulation or other legislation or official policy shall be a reference to that statute, regulation or other legislation or national policy as at the signature date, and as amended or re-enacted from time to time;
 - 2.4 When any number of days is prescribed, such shall be reckoned inclusively of the first and inclusively of the last day, unless the last day falls on a day which is not a business day, in which case the last day shall be the next succeeding day which is a business day;
 - 2.5 Where any term is defined within a particular clause, other than the interpretation clause, that term shall bear the meaning ascribed to it in that clause wherever it is used in this agreement.
3. I/we hereby bid:
- 3.1 to supply all or any of the supplies and/or to render all or any of the goods described in the attached documents to GGDA;
 - 3.2 on the terms and conditions and in accordance with the specifications stipulated in the bid documents (and which shall be taken as part of incorporated into, this bid);
 - 3.3 at the prices and on the terms regarding time for delivery and/or execution inserted therein.
4. I/we agree further that:
- 4.1 the offer herein shall remain binding upon me/us and open for acceptance by GGDA during the validity indicated and calculated from the closing time of the bid;
 - 4.2 this bid and its acceptance shall be subject to the terms and additions contained in the Schedules hereto with which I am/we are fully acquainted;
5. notwithstanding anything to the contrary:
- 5.1 if/we withdraw my/our 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, GGDA may, without prejudice to its other rights, agree to the withdrawal of my/our bid or cancel the contract that may have been entered into between me/us and GGDA.
 - 5.2 in such event, I/we shall then pay to GGDA any additional expense incurred by GGDA for 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;
 - 5.3 GGDA shall also have the right in these circumstances, to recover such additional expenditure by set-off against monies which may be due or become due to me/us under this or any other bid or

contract or against any guarantee or deposit that may have furnished by me/us or on my/our behalf for the due fulfillment of this or any other bid or contract;

6. Pending the ascertainment of the amount of such additional expenditure GGDA may retain such monies, guarantee or deposit as security for any loss GGDA may sustain, as determined hereunder, by reason of my/our default;
- 6.1 any legal proceedings arising from this bid may in all respects be launched or instituted against me/us and I/we hereby undertake to satisfy fully any sentence or judgement which may be obtained against me/us as a result of such legal proceedings and I/we undertake to pay GGDA legal costs on an attorney and own client basis;
- 6.2 if my/our bid is accepted that acceptance may be communicated to me/us by letter or facsimile ad that proof of delivery of such acceptance to SA Post Office Ltd shall be treated as delivery to me/us;
- 6.3 the law of the Republic of South Africa shall govern the contract created by the acceptance of this bid;
7. I/we have satisfied myself/ourselves as to the correctness and validity of this bid, that the price(s) and rate(s) quoted cover all the work/item(s) specified in the bid documents and that the price(s) and rate(s) over all my/our obligations under a resulting contract and that I/we accept that any mistakes regarding price(s) and calculations shall be at my/our risk;
8. I/we accept full responsibility for the proper execution and fulfillment of all obligation and conditions defaulting on me/us under this agreement as the principal(s) liable for the due fulfillment of this contract.
9. Notwithstanding full responsibility for the proper execution and fulfillment of all obligations and conditions defaulting on me/us under this agreement as the principal(s) liable for the due fulfillment of this contract.
10. Notwithstanding the amount of cause of action involved I hereby consent to the jurisdiction of the Magistrate Court for the district of Johannesburg in respect of any action whatever arising from this contract.
11. I/we declare that I/we participation/no participation in the submission of any other offer for the supplies/services described in the attached documents. If your answer here is

Bidder's Information

Name of firm (company)

Postal Address

Physical Address

Contact Person

Telephone

Fax Number

Types of business

Principal business

Activities

12. The bidder hereby offer to render all or any of the services described in the attached documents to GGDA on the terms and conditions and in accordance with the specifications stipulated in these tender documents (and which shall be taken as part of, and incorporated into, this proposal at the prices inserted therein).
13. Bids submitted by companies must be signed by a person or persons duly authorised thereto by a resolution of a Board of Directors, a copy of which Resolution, duly certified be submitted with the bid.
14. The bidder hereby agrees that the offer herein shall remain binding upon him/her and receptive for acceptance by GGDA during the validity period indicated and calculated form the closing hour and date of the tender; this proposal and its acceptance shall be subject to the terms and conditions contained in this tender document.
15. The bidder furthermore confirm that he/she has satisfied himself/herself as to the correctness an validity of his/her tender response that the price(s) and rate(s) quoted cover all the work/item(s) specified in the tender response documents and that the price(s) and rate(s) cover all his/her obligations under a resulting contract and that he/she accept that any mistakes regarding price(s) and calculations will be at his/her risk.
16. The bidder hereby accepts full responsibility for the proper execution and fulfillment of all obligations and conditions devolving on him/her under this agreement as the principal(s) liable for the due fulfilment of this contract.

E2: GENERAL CONDITIONS OF CONTRACT

NOTES

The purpose of this document is to:

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

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

- The General Conditions of Contract will form part of all bid and contract documents.

- (iii) Special Condition of Contract pertaining to contracts of this nature will be negotiated with the successful bidder.

TABLE OF CLAUSES

1. Definitions
2. Application
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6. Patent rights
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8. Delivery and documents
9. Insurance
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25. Governing language
26. Applicable law
27. Notices
28. Taxes and duties
29. National Industrial Participation Programme (NIPP)

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 client and the service provider, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference herein.
- 1.3 "Contract price" means the price payable to the service provider 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 "Day" means calendar day.
- 1.7 "Delivery" means delivery in compliance of the conditions of the contract or order.
- 1.8 "Force majeure" means an event beyond the control of the service provider and not involving the service provider's fault or negligence and not foreseeable.

Such events may include, but is not restricted to, acts of the client in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.9 "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.
- 1.10 "GCC" means the General Conditions of Contract.
- 1.11 "Goods" means all of the equipment, machinery, service and/or other materials that the service provider is required to supply to the client under the contract.
- 1.12 "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 service provider 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.
- 1.13 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.14 "Order" means an official written order issued for the rendering of a service.

- 1.15 “Project site,” where applicable, means the place indicated in bidding documents.
- 1.16 “The client” means the organization purchasing the service.
- 1.17 “Republic” means the Republic of South Africa.
- 1.18 “SCC” means the Special Conditions of Contract.
- 1.19 “Services” means those functional services ancillary to the rendering of the service, 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 service provider covered under the contract.
- 1.20 “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 client shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

- 4.1 The service rendered shall conform to the standards mentioned in the bidding documents and specifications.

5. Use of contract documents and information; inspection

- 5.1 The service provider shall not, without the client’s prior written consent, contract disclose the contract, or any provision thereof, or any specification, documents plan, drawing, pattern, sample, or information furnished by or on and behalf of the client in connection therewith, to any person other information; than a person employed by the service provider 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 service provider shall not, without the client’s prior written consent, make use of any document or information mentioned in GCC clause except for purposes of performing the contract.

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

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

6. Patent rights

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

7. Performance Security

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

7.2 The proceeds of the performance security shall be payable to the client as compensation for any loss resulting from the service provider'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 client 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 client's country or abroad, acceptable to the client, in the form provided in the bidding documents or another form acceptable to the client; or

(b) a cashier's or certified cheque

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

8. Delivery and Documents

8.1 Rendering of service shall be made by the service provider in accordance with the document and terms as specified in the contract. The details of shipping and/or other documents to be furnished by the service provider are specified in SCC.

8.2 Documents to be submitted by the service provider are specified in SCC.

9. Insurance

9.1 The service rendered 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.

10. Transportation

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

11. Incidental Service

- 11.1 The service provider 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 rendered service;
 - (b) furnishing of tools required for assembly and/or maintenance of the rendered service;
 - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the rendered service;
 - (d) performance or supervision or maintenance and/or repair of the rendered service, for a period of time agreed by the parties, provided that this service shall not relieve the service provider of any warranty obligations under this contract; and
 - (e) training of the client's personnel, at the service provider's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the rendered service.
- 11.2 Prices charged by the service provider for incidental services, if not included in the contract price for the service, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the service provider for similar services.

12. Warranty

- 12.1 The service provider warrants that the service rendered 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 service provider further warrants that all service rendered under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the client's specifications) or from any act or omission of the service provider, that may develop under normal use of the rendered service in the conditions prevailing in the country of final destination.
- 12.2 This warranty shall remain valid for twelve (12) months after the service, 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.
- 12.3 The client shall promptly notify the service provider in writing of any claims arising under this warranty.
- 12.4 If the service provider, having been notified, fails to remedy the defect(s) within the period specified in SCC, the client may proceed to take such remedial action as may be necessary, at the service provider's risk and expense and without prejudice to any other rights which the client may have against the service provider under the contract.

13. Payment

- 13.1 The method and conditions of payment to be made to the service provider under this contract shall be specified in SCC.
- 13.2 The service provider shall furnish the client with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.

- 13.3 Payments shall be made promptly by the client, but in no case later than thirty (30) days after submission of an invoice or claim by the service provider.
- 13.4 Payment will be made in South African Rand unless otherwise stipulated in SCC.
- 14. Prices**
- 14.1 Prices charged by the service provider for services performed under the contract shall not vary from the prices quoted by the service provider in his bid, with the exception of any price adjustments authorized in SCC or in the client's request for bid validity extension, as the case may be.
- 15. Contract amendments**
- 15.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.
- 16. Assignment**
- 16.1 The service provider shall not assign, in whole or in part, its obligations to perform under the contract, except with the client's prior written consent.
- 17. Subcontracts**
- 17.1 The service provider shall notify the client in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the service provider from any liability or obligation under the contract.
- 18. Delays in the service provider's performance**
- 18.1 Performance of services shall be made by the service provider in accordance with the time schedule prescribed by the client in the contract.
- 18.2 If at any time during performance of the contract, the service provider or its subcontractor(s) should encounter conditions impeding timely performance of services, the service provider shall promptly notify the client in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the service provider's notice, the client shall evaluate the situation and may at his discretion extend the service provider'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.
- 18.3 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.
- 18.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the service provider's point of supply is not situated at or near the place where the supplies are required, or the service provider's services are not readily available.
- 18.5 Except as provided under GCC Clause 25, a delay by the service provider in the performance of its delivery obligations shall render the service provider 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.

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

19. Penalties

19.1 Subject to GCC Clause 25, if the service provider fail to perform services within the period(s) specified in the contract, the client 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 unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The client may also consider termination of the contract pursuant to GCC Clause 23.

20. Termination for default

20.1 The client, without prejudice to any other remedy for breach of for default contract, by written notice of default sent to the service provider, may terminate this contract in whole or in part:

- (a) if the service provider fails to deliver service within the period(s) specified in the contract, or within any extension thereof granted by the client pursuant to GCC Clause 21.2;
- (b) if the service provider fails to perform any other obligation(s) under the contract; or
- (c) if the service provider, in the judgment of the client, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

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

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

20.4 If a the client intends imposing a restriction on a the service provider or any person associated with the service provider, the service provider 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 service provider fail to respond within the stipulated fourteen (14) days the client may regard the intended penalty as not objected against and may impose it on the service provider.

20.5 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.

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

- (i) the name and address of the service provider and / or person restricted by the client;
- (ii) the date of commencement of the restriction; and
- (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 the service providers or persons prohibited from doing business with the public sector.

20.7 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.

21. Force Majeure

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

21.2 If a force majeure situation arises, the service provider shall promptly notify the client in writing of such condition and the cause thereof. Unless otherwise directed by the client in writing, the service provider 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.

22. Termination for insolvency

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

23. Settlement of Disputes

23.1 If any dispute or difference of any kind whatsoever arises between the client and the service provider 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.

23.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the client or the service provider 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.

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

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

23.5 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 client shall pay the service provider any monies due the service provider.

24. Limitation of liability

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

- (a) the service provider shall not be liable to the client, 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 service provider to pay penalties and/or damages to the client; and
- (b) the aggregate liability of the service provider to the client, 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

25. Governing language

25.1 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

26. Applicable law

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

27. Notices

27.1 Every written acceptance of a bid shall be posted to the service provider 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 services of such notice

27.2 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.

28. Taxes and duties

28.1 A foreign the service provider shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the client's country.

28.2 A local the service provider shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted service to the client.

28.3 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.

29. National Industrial Participation (NIP) Programme

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

NAME OF YOUR COMPANY (IN BLOCK LETTERS)

SIGNATURE(S) OF THE BIDDER OR ASSIGNEE(S)

DATE

NAME OF PERSON SIGNING (IN BLOCK LETTERS)

CAPACITY

ARE YOU DULY AUTHORISED TO SIGN THIS BID?

COMPANY REGISTRATION NUMBER _____

VAT REGISTRATION NUMBER _____

POSTAL ADDRESS (IN BLOCK LETTERS)

PHYSICAL ADDRESS (IN BLCOK LETTERS)

CONTACT PERSON

TELEPHONE NUMBER _____ **FAX NUMBER** _____

CELLPHONE NUMBER _____

E-MAIL _____

TYPES OF BUSINESS _____

PRINCIPAL BUSINESS ACTIVITIES _____