

SOUTH AFRICAN LOCAL
GOVERNMENT ASSOCIATION

SALGA

Inspiring service delivery

THE SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION (SALGA) HEREBY REQUESTS PROPOSALS FOR THE PROVISION OF OFFICE ACCOMMODATION FOR ITS DURBAN OFFICE KWAZULU-NATAL FOR A PERIOD OF FIVE (5) YEARS.

BID NO. SALGA/03/2023

Closing date and time: 27 June 2023 at 11:00

Bid Validity Period: 120 days.

TENDER BOX ADDRESS:

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1. INTRODUCTION

The South African Local Government Association (SALGA) is a public entity established by the Organised Local Government Act (Act 52 of 1997) to assist in the comprehensive transformation of local government in South Africa. SALGA is managed within the framework of the Public Finance Management Act (Act 1 of 1999) and is listed as a schedule 3A public entity. Its main objectives are to:

- Represent, promote, and protect the interests of local government.
- Transform local government to enable it to fulfil its developmental role.
- Enhance the role and status of its members as provincial representatives and consultative bodies of local government.
- Enhance the role and status of municipalities.
- Be recognized by national and provincial governments to be the representative and consultative body in respect of all matters concerning local government and to make representations to both provincial and national governments in respect of any matter concerning local government.
- Ensure the full participation of women in organized local government.
- Be the National Employers' Organisation representing all municipal members and, by agreement, associate members.

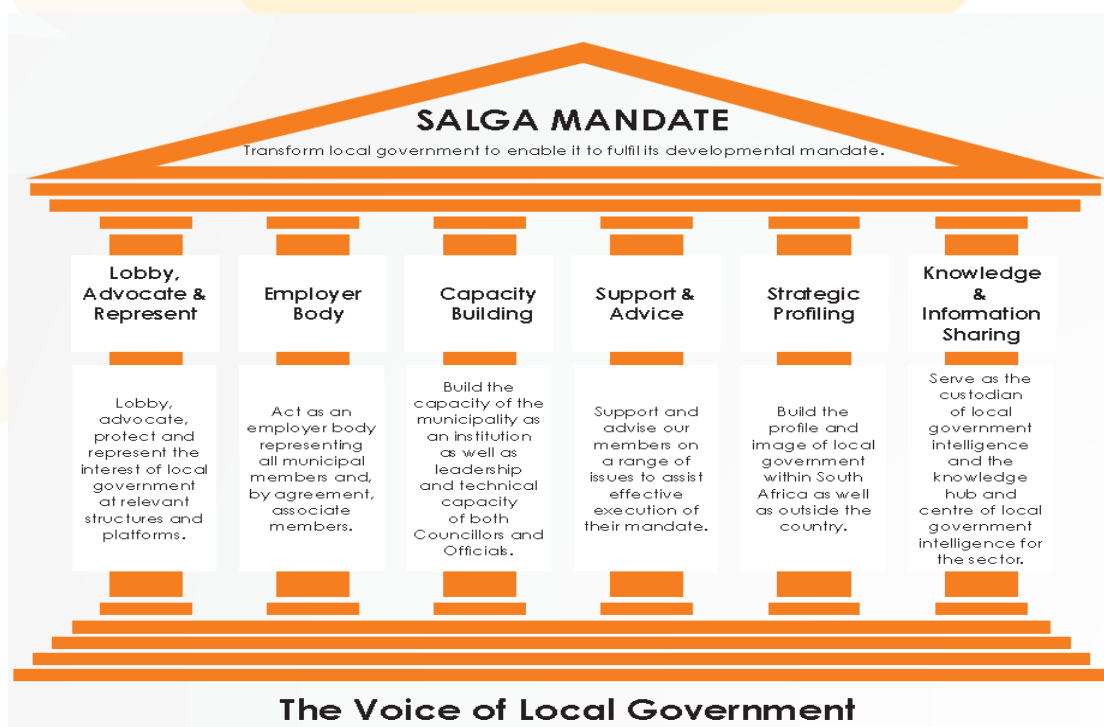
2. SALGA MANDATE

Developmental Local Government is an essential component of the machinery of government. Under its constitutional mandate, SALGA is obliged to transform the local government sector into one that has the required capacity to make a meaningful contribution to poverty alleviation, economic development, and all socio-economic opportunities that the state has geared itself to provide for its people. SALGA also serves as the representative voice of all 257 municipalities in the country. For the past 25 years, since its establishment, SALGA has endeavoured to bring focus to its mandate of supporting local government transformation in a complex environment, characterised by a highly diverse and diffuse membership base of municipalities. In terms of its amended Constitution, SALGA is a unitary body that consists of a national association and nine provincial offices. Its mandate rests on six primary pillars:

- (1) **Representation, Advocacy, and Lobbying** refer to representing the interests of members in legislatures and other policymaking and oversight structures. It also refers to engaging with various stakeholders, public debates, etc. in the interest of Local Government.

- (2) **Employer Body** refers to being an effective employer representative for members. Employer representation is carried out through collective bargaining (in terms of the Labour Relations Act) in various structures including but not limited to those established in the South African Local Government Bargaining Council.
- (3) **Capacity Building** refers to facilitating capacity-building initiatives through among others, representing member interests in the Local Government Sector Education Authority (LGSETA). SALGA strives to facilitate a coherent, well-coordinated capacity-building programme for municipal councillors and officials.
- (4) **Support and Advice** refer to the provision of tools and services that enable municipalities to understand and interpret trends, policies, and legislation affecting Local Government and to implement the said policies and plans.
- (5) **Strategic Profiling** of Local Government refers to enhancing the profile and image of local government as an important and credible agent for the delivery of services. Profiling focuses on South Africa, the African continent, and the rest of the world.
- (6) **Knowledge and Information Sharing** refers to building and sharing a comprehensive hub of Local Government knowledge and intelligence that will enable informed delivery of other SALGA mandates. The knowledge hub is also a useful reference point for all who seek Local Government information.

Diagrammatically the mandate is depicted as follows:



3. PURPOSE

The purpose of this request for proposals is to obtain suitable office accommodation around the Durban metro (Upper-highway, Westville, and Durban North) area for the SALGA KwaZulu-Natal (KZN) office to lease for five years.

4. BACKGROUND

SALGA recognizes that if it is to realize its vision, it must nurture and constantly develop its winning formulae- a combination of service excellence, quality, participative management, and empowerment. The organization also realizes that this will only be achieved if it continues to value and care for its member municipalities and takes the management of employee issues and risks in the organization seriously. It is upon this background that a need for new offices was identified and that is the reason why the organization is embarking on this procurement process.

5. DISCUSSION

SALGA KwaZulu-Natal requires a minimum of 1068 (one thousand, and sixty eight) square meters (m²) of office space, comprising a reception area, 15 (fifteen) offices, an open plan area, 3(three) boardrooms, a kitchen/canteen, bathrooms (including for the disabled), a registry area and at least 1 (one) storeroom, to accommodate its staff complement together with a minimum of 40 (forty) parking spaces for staff, plus at least 2 (two) for disabled and at least 20 (twenty) visitor parking spaces.

6. TYPE OF PREMISES

The proposed premises should be suitable for a typical administrative work environment with low-density office occupation, for example, no call centres should be accommodated in the building.

6.1 Property/Building:

The property offered should be able to accommodate the following as net usable areas. General requirements are based on the premise of exclusive office spaces for virtual meetings and an open-plan office layout is required. The office space should have adequate natural daylight/or artificial lighting.

6.2 Space Requirements:

To allow for the minimum total floor space of 1068 (one thousand, and sixty-eight) square meters (m²) that should include common areas and boardrooms. Open plan area layout that can accommodate up to 16 (sixteen) workstations and is utilized as multi-functional work areas.

Apart from the normal office space requirements for staff as the following is a summary of areas requiring particular attention and planning:

6.2.1 Provincial Director of Operations (PDO) Office Area:

This area must include a small boardroom for up to 15 (fifteen) people, an office for the PDO, a shared reception area, and an Executive Assistant office/work area.

6.2.2 Boardrooms

One main boardroom to accommodate up to 100 (one hundred) people (the room should be able to be subdivided into 2 rooms and a second boardroom to accommodate up to 30(thirty) people.

6.2.3 Open Plan Area

Open plan area layout that can accommodate up to 16 (sixteen) workstations and is utilized as multi-functional work areas.

6.2.4 Virtual Meeting Rooms

Five (5) x small blocked-off meeting rooms are needed that can be used for virtual meetings.

6.2.5 ICT Server Room

A small server room with dedicated air conditioning, as well as a 4 (four) M² of raised flooring to prevent potential water damage in the event of any water leakage in the building.

6.2.6 Administration Storage Rooms

1x small storeroom for stationary with lockable door.

1x small Storeroom for groceries and catering equipment with a lockable door.

1x Storeroom for cleaning material and equipment with lockable door.

Note: The above storerooms may also be a combined room with a lockable door.

6.2.7 Operations area/centre: to accommodate two large volume multi-function machines and a shredder. This may also be part of the Registry/Records room area.

6.2.8 Registry/Records room: to accommodate 2 staff members, a file storage area consisting of a counter and Opti-plan type filing cabinets.

6.2.9 Offices: (15) small offices for managers, an ICT Officer, and Cleaners

6.3 Further Requirements

- General reception area for one staff member.
- Fitted kitchen area with adequate space for storage of crockery, cutlery, and space for fridge, microwave oven, etc.
- Lounge area for staff/meeting delegates to have lunch.

The above is not to be considered a detailed specification but should merely act as a guideline to assist the planning process.

7. THE BUILDING

The building shall comply with local authority requirements and applicable legislation. Any installations to prepare the building to be compliant should be completed before SALGA's occupation keeping the time frames in mind. The building shall be fully disabled friendly e.g., all floors to be occupied by SALGA shall be accessible by wheelchair. Lift buttons to have braille and voice announcing lift movements. Allowance should also be made for access by guide dogs. The building should be compliant with all COVID-19 protocols. The office space should have adequate access to natural daylight.

7.1 PARKING

Approximately 42 parking bays will be required to accommodate SALGA staff and approximately 20 parking space for visitors should be available. The parking bays should be all shaded. Parking must be provided on the premises These parking bays provided shall be made available to SALGA on a 24-hour basis. Adequate allowance should be made to accommodate persons with disabilities in the parking area with easy access to the lifts. All parking is to be provided within a safe and secure environment. Security of the building should be provided for 24-hours.

7.2 ACCESSIBILITY TO THE BUILDING BY DISABLED/DIFFERENTLY ABLED

- The building shall accommodate disabled people and comply with the relevant acts, regulations, and municipal by-laws.
- Emergency Exits and Evacuation Procedures also accommodate disabled/differently abled people.

7.3 WATER SUPPLY

The municipal water supply should be metered separately. Implementation of water-saving and recycling policies and awareness.

7.4 ELECTRICAL SUPPLY

The building should have energy-efficient services. The power supply shall be metered separately. The installation is to comply with all relevant regulations and by-laws. It must be considered that all operational staff at SALGA are equipped with a computer. There are also several IT servers and other sophisticated electronic equipment being operated by SALGA. The quality and capacity / KVA of the incoming power supply should thus be able to meet SALGA's requirements.

Note:

- SALGA will not contribute to any upgrading/provisioning of additional power supply to the building/site.
- An Electrical Compliance certificate must be provided to SALGA as prima facie proof that all electrical installations in the building are safe and comply with the rules and regulations set out in the South African National Standards 10142-1.

7.5 GENERATOR EQUIPMENT REQUIREMENTS

The landlord will be responsible for the provisioning of generator equipment to ensure an uninterrupted power supply during power failures or load-shedding.

- Provide a standby power generator to be serviced by the landlord.

7.6 POWER POINTS

Power points are to be provided as per SALGA requirements with the following guidelines:

- Each workstation will be equipped with one single normal power point and one red dedicated power point.
- Normal power points are to be provided for multifunction machines.
- The operations area/room will be suitably equipped with multifunction machines.
- Single-phase 15 Amp socket outlets in passages and operational areas shall be provided for cleaning and maintenance.

7.7 LIGHTNING PROTECTION

The building shall have sufficient lightning protection. Configuration as required by the National Building Regulations.

7.8 LIGHTING

All interior lighting shall conform to SABS 0114-1:1996. The lighting design shall take into consideration the type of work that will be performed which includes general office work and computer-based work areas.

7.9 CONTROL

Each functional area shall have independent control of lights and emergency lights shall comply with the National building regulations.

7.10 DATA AND TELEPHONE CABLING

The building should allow for the installation of adequate cabling for the installation of ITC, Wi-Fi, and telephone equipment.

7.11 FIRE PROTECTION & RISK MANAGEMENT

Fire control, safety, and risk management shall be in full compliance with the National Building Regulations. SABS 0040 as amended. SALGA will require that a complete Automatic Sprinkler Inspection Bureau (ASIB) report be submitted along with all other information regarding fire compliance.

7.12 VERTICAL MOVEMENTS

7.12.1 Staircases (if applicable)

Staircases should allow free and easy flow of staff, fitted with proper guide rails as prescribed by the OHS Act and Regulations.

7.12.2 Lift(s) (if applicable)

Taking into account rules TT45 to TT48 as set out in the SA Standard Code of Practice for the Application of the National Building Regulations as issued by the SABS, SALGA requires that if the building offered consists of floors not accessible from ground level by disabled/differently-abled persons, it shall be provided with at least one lift to be utilized as a passenger lift to transport at least eight (8) persons or goods with a minimum payload of 1 000 kg at any given time. The minimum clear entrance to the car shall be of such dimension that it will be accessible for a wheelchair. If the building has a basement or other parking area, the lift shall also serve that area.

The number of lifts required to service functional areas must be sufficient. All lift buttons have braille and lift(s) to have a voice announcing lift movements as well as an emergency contact number. It is essential that all lifts are maintained following the applicable legislation and a certificate of confirmation will be required.

Note: If the building is not fitted with lifts, hoists, or escalators, it must at least have the capacity and/or capability of being fitted with such lifts, hoists or escalators at SALGA's request.

7.13 CARRYING CAPACITY OF FLOORS

Floors to allow a carrying capacity for a normal office environment. Allowance should be made for higher point loads where safes are to be installed.

7.14 ACOUSTIC AND NOISE

All outside noises shall be reduced to an acceptable level that allows people to perform their functions without undue disturbance.

7.15 SECURITY

The proposed building should preferably have a fully functional 24-hour security and access control system (inclusive of a possible security both at reception and parking-2 security guards/personnel). The system should allow for the safe entering and exiting of SALGA staff, political representatives, and visitors, a safe working environment, and the protection of vehicles and assets.

The proposed land and building/s shall be in a safe, secure, and tranquil environment that does not present a security risk to SALGA staff members even if they work after hours. The building including parking areas should have CCTV.

2 X Security guards should be provided 24 hours per day (**C-Grade**), placed at the entrance gate and main reception area.

8. INFORMATION REQUIRED

8.1 Property Information

- Property street address
- Owner's name, address, city, postal code
- Email address, telephone, and fax numbers
- Details of partners/contractors/sub-contractors to this offer

8.2 Layout Drawings

The bidder shall provide a detailed layout drawing that includes all areas required for the building to be functional including the usable space listed. Usable space in terms of the South African Property Owners Association (SAPOA).

Plant (generators, air cons, etc.) rooms are to be positioned in such a way that routine maintenance does not disturb operations or produce unacceptable noises during business

hours. The layout drawing shall also indicate major vertical penetrations, column spacing and sizes, and any other building elements that may impact the configuration of office layouts.

8.3 Floor Areas

The bidder shall provide the floor area as defined by the South African Property Owners Association method for measuring floor areas in commercial and industrial buildings.

9. OPERATIONAL/MAINTENANCE COSTS

9.1 TENANT INSTALLATION

The Landlord must specify the TI allowance in a fixed amount.

9.2 OPERATIONAL COSTS

SALGA requires details of all the maintenance contracts and costs of the current operational expenditure for the building for which SALGA may be liable. This must include but is not limited to: (Full details of existing contracts with the duration and validity shall be provided as part of the proposal)

Maintenance of the building

- The office space/premises are to be fully serviced and maintained by the Landlord.
- Turnaround clearly stated on maintenance and repair work.
- Windows
- Roofs
- HVAC includes cleaning the diffusers inside.
- UPS/power generator(s) and emergency power maintenance
- Lightning
- Plumbing
- Common area electrical reticulation
- Grounds and gardens
- Stormwater
- Washing the external windows & facades.
- Lifts maintenance
- Municipal rates

Operational costs to be included as an additional monthly contribution in the lease should include:

- Cleaning the common and outside areas.
- Security provided in respect of the outside of the building.
- Maintaining lifts, escalators, and air-conditioning.

- Fully functioning and consistent electricity and water connections and supply.
- Maintenance and servicing of plumbing and electricity infrastructure.
- Regular servicing of the air conditioners and ventilation systems.
- Servicing of the firefighting equipment.
- Maintenance of electrical systems and lights/light bulbs and fitting.
- Internal general maintenance including painting.
- Cleaning of windows on a quarterly term.
- Gardening services.
- Pest Control; and
- Refuse removal.

10. STANDARD SPECIFICATIONS

The proposed land and building/s shall comply with all the applicable laws and bylaws and at least the following specifications, laws, or local authority requirements:

- The building must comply with the Occupational Health and Safety Act, 1993 (Act 85 of 1993), as amended.
- The latest issue of SABS 0142: "Code of Practice for the Wiring of Premises "Code of practice
- Interior Lighting SABS 0114:1996 - Part I
- The National Building Regulations and Building Standards Acts 1977 (Act 103 of 1977) as amended (SANS 0040)
- The Municipal by-laws and any special requirements of the local supply authority
- The local fire regulations
- The Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000.
- The building must comply with strategies that underpin the government green building strategies.

Certificates proving compliance with the regulations shall be provided before occupation.

- 10.1 Bidders must submit the photographic portfolio of the building with high-level space planning indicating that the accommodation needs of SALGA can be accommodated.
- 10.2 It will be required that each proposal of the bid be submitted with a project plan of how the task will be achieved- this will include time frames, work breakdown structure and risks.
- 10.3 All Compliance Certificates (Electrical & Plumbing; Fire; Structural) shall be submitted as part of the proposal.

11. EVALUATION CRITERIA

For the purpose of comparison and to ensure a meaningful evaluation, bidders must submit detailed information in substantiation of compliance with the evaluation criteria mentioned below. The bidder/s will be evaluated in five phases as stated below:

Phase 1	Pre-Compliance check on Mandatory requirements
Phase 2	Technical Requirements in Table 1
Phase 3	Technical Functionality
Phase 4	Site-Visit
Phase 5	Price and BBEE points

11.1 Phase 1: Mandatory Requirements for the bidder

- a. The prospective bidder must be registered on Central Supplier Database (CSD) before submitting bids.
- b. Fully Completed and signed SBD forms (SBD1, SBD 3.1, SBD 4, SBD 6.1)
- c. Proposed buildings should be OHS Compliant (Certificate of compliance for Electrical, Fire, plumbing, water, and occupancy)

NB: Failure to adhere to the Mandatory requirements above will automatically disqualify your bid/s and will not proceed to Phase 2

11.2 Phase 2: Technical Requirements

The bidder/s is/are required to indicate with a "Yes" or "No" for the proposed building if it fully complies with the criteria below or not. During the evaluation process, the Bid Evaluation Committee will also verify the bidders' information. The premises/building on offer must comply with No.1(Building type), No.2(Security) and No.4(Parking). Non-compliance to No.1/No.2 and 4 will automatically disqualify the building and will not be evaluated/shortlisted for Phase 3 which is Technical Functionality. In cases where a building does not comply with a particular criterion, the bidder must indicate under comments or a separate sheet the reasons the specific building is not complying to that criterion.

Criterion	Description	Comply (Yes / No/ n/a)	Comments	Reference to pages in the document
1. Building type				
	Approximately 1068m ² lettable space			

2. Security	The building must have a fully functional access control and CCTV management system with 2 x security guards (c-type) at the entrance and/or at the main reception			
3. Amenities	The building must have ample ablution facilities available that are in a good and clean condition			
	The building must have air-conditioned offices and areas.			
4. Parking	The building must have secure <u>on-site parking available</u> per Metro by-laws including 40 parking bays available for staff members, 20 for visitors and at least two fully demarcated disabled parking bay.			
5. Maintenance of the building	The office space/premises are to be fully serviced and maintained by the Landlord. Turnaround clearly stated on maintenance and repair work. Provide a standby power generator to be serviced by the landlord.			
6. Location	The location should be “safe and accessible to both public and members of municipalities” located in the area. Access to major public route networks and transport. Durban metro (Upper-highway, Westville, and Durban North) area for the SALGA KwaZulu-Natal (KZN)			
7. Pictures of the premises on offer	Submit at least five (5) clear pictures of the building on offer (interior and exterior)			

Table 1: Technical Mandatory Requirements (Suitability of the existing building on offer)

11.3 Phase 4: Technical Functionality

NB: Technical functionality will be done only on bidders that comply with the minimum technical mandatory requirements.

SCALE LEVEL DESCRIPTIONS	RATING
No relevant response or information is given to enable the evaluation	0
Very poor response based on the expected standard	1
Poor response based on the expected standard	2
Average response based on the expected standard	3
Good response based on the expected standard	4
Excellent response based on the expected standard	5

CRITERIA FOR FUNCTIONALITY	POINTS BREAKDOWN	WEIGHT
The Grading of the building Grading of the building, preferably Grade A or better	Please sent supporting evidence in the building grade. Points allocation: <ul style="list-style-type: none"> • 5 points – Grade A or better with green certification • 4 points – Grade A without green certification • 3 points – Grade B • 2 points – Grade C • 1 point – Grading-not specified. • 0-non-submission of the requested information 	15
Accommodation Size ” Approximately 1068m ² lettable space with 62 parking spaces,	Points allocation: <ul style="list-style-type: none"> • 5 points – 1050 - 1068m² lettable space • 3 points – 1069m²-1100m² lettable space • 1 point – 1101m² -1150m² • 0 point - non-submission of requested information or building on offer less than 1068m² 	20
Required Parking “Preferred” parking is a safe, on-site, underground, or in a shaded area	Points allocation: <ul style="list-style-type: none"> • 5 points– 60 covered parking bays on-site and at least 2 parking bays for disabled person(s). • 4 points-42 covered parking bays (inclusive of 2 disabled person(s) on-site and at least 20 parking bays not covered(visitors). • 3 points-42 covered parking bays (inclusive of 2 disabled person(s) on-site and at least 19 parking bays not covered for visitors. • 2 points-42 covered parking bays (inclusive of 2 disabled person(s) on-site and at least 18 parking for visitors. 	20

CRITERIA FOR FUNCTIONALITY	POINTS BREAKDOWN	WEIGHT
	<ul style="list-style-type: none"> • 1 points-42 covered parking bays (inclusive of 2 disabled person(s) on-site and at least 17 parking for visitors. • 0 points - Requirements of the preferred parking not met. 	
<p>Availability of Building</p> <p>The building must be ready for occupation within three (3) months from the day of the award.</p>	<p><u>Points allocation:</u></p> <ul style="list-style-type: none"> • 5 points– Building available in one (1) month. • 4 points– Building available in two (2) months. • 3 points– Building available in three (3) months. • 2 points - Building available in four (4) months. • 1 point– Building available five (5) months and later. • 0 points – no information provided. 	10
<p>Location and accessibility of the building</p> <p>The location should be “safe and accessible to both public and members of municipalities” located in the area.</p> <p>Access to major public route networks and transport. Provide street address for GPS verification purposes.</p>	<p><u>Points allocation (Close proximity to public transport:</u></p> <ul style="list-style-type: none"> • 5 points – Durban metro (Upper-highway, Westville, and Durban North) area and/ or precinct and access to all major route networks Public Transport (safe and accessible) • 0 points– No response or insufficient information provided, or if located in an unsafe area. 	15
<p>Facilities Management</p> <p>Providing the required building and accommodation facilities support</p>	<p>Detailed personnel on facilities management including the experience of the personnel allocation.</p> <p><u>Points allocation:</u></p> <p>5 – Less than 24-hour turnaround time 4 – More than 24-hour, less than 48-hours’ time 3 -48-hour turnaround time 2- 72-hour turnaround time 0 – more than 72 hours</p>	15
<p>Financial Stability</p> <p>Latest Three Year Audited Financial Statements (from 2019 forward to the current year, an audit reports indicating no going concern over a three-year period) and any evidence proving financial stability of the company.</p>	<p><u>Points allocation</u></p> <ul style="list-style-type: none"> • 5 points – Latest three year audited financial statements (from 2019 forward to the current year, an audit reports indicating no going concern over a three-year period) and any evidence proving financial stability of the company. • 3 points– Latest two year audited financial statements (from 2019 forward to the current year, an audit reports indicating no going concern over a three-year period) and any evidence proving financial stability of the company. 	5

CRITERIA FOR FUNCTIONALITY	POINTS BREAKDOWN	WEIGHT
	<ul style="list-style-type: none"> 0 points– No valid audited financial statements and any supporting evidence proving the financial stability of the company. 	
Total for functionality		100
Minimum Threshold		70

Bidders who score 70 (average) points and above will be considered in phase 5 of the evaluation (Site Inspection).

11.4 Phase 5: SITE INSPECTION

NB: Site inspections will be done only on buildings that comply with the minimum technical functionality threshold of 70 (average).

The evaluation of the site inspection will be based on the table below. Yes/No will be verified in all criterions. The buildings / bidders must score in all criterions to be evaluated further for Phase 5: Price and BBBEE.

Table 3: Site Inspection Evaluation criteria

NO.	Description	YES	NO	Comments
1.	Grade A building or better			
2.	Building location (In a safe area and/or surrounding area)			
3.	OHS Compliant: <ul style="list-style-type: none"> - Wheelchair friendly - Adequate Firefighting equipment in place - Available emergency exit route with adequate signage leading to a marked emergency exit point in case of emergency. - Sufficient entrances and exits to and from the building as per building regulations. - Existing fire detection and/or prevention service 			

4.	Parking (minimum 60 parking bays) onsite, shaded or underground and 2 for disabled persons			
5.	Adequate office space as per the scope of work (approximately 1068 m2)			
6.	2 X Security (two c-type guards, functional access control and CCTV system)			
7	Functional Lift(s) (For office above ground level or includes multiple floor levels)			
8.	Amenities- The building must have ample ablution facilities available that are in a good and clean condition. The building must have air-conditioned offices and areas.			
All areas specified above are required to meet the threshold for Phase 5 (Price evaluation).				

11.5 Phase 5: Price and Specific Goals

The 80/20 preference point system will be used when evaluating this Request for Proposal in terms of section 4(2) and 4(3) of the Preference Procurement Regulations of 2022 with 80 points allocated for price and 20 points for Specific goals as per table below:

B-BBEE Status Level of Contributor	Number of Points
	(80/20 System)
1	10
2	9
3	7
4	6
5	4
6	3
7	2
8	1
Specific Goals	
SMME's	4
100% Black Women Owned	3
100 % Youth	3
Total Points	20

Table 4: Pricing Schedule

Bidders are required to submit details of the rental to be charged for the first twelve (12) months of the contract period, indicate the annual escalation factor over a period of five (5) years. All prices must be VAT inclusive.

Item	No of Units	Unit	Price per unit	Price (Monthly)
Rentable area	1068	m ²	VAT Excl.	VAT Incl.
Parking	62	bays	VAT Excl.	VAT Incl.
Operational Costs			VAT Excl.	VAT Incl.
Deposit costs	Once off			
Total (VAT excl.) (monthly in year 1)				VAT Excl
Total (VAT incl.) (monthly in year 1)				VAT Incl.

ITEM	RENT/MONTH (Including VAT)	TOTAL ANNUAL RENT (including VAT)
GROSS RENT (annual year 1)	R	R
Year 2 escalation	R	R
Year 3 escalation	R	R
Year 4 escalation	R	R
Year 5 escalation	R	R
OTHER COSTS (specify)	(Not included on a gross rental)	
TOTAL (VAT Incl) (Over five years)		R

***Additional areas, parking, levies etc. (please specify)**

ESCALATION FACTOR

Escalation factor over a five (5) year period: -----% per year.

TENANT ALLOWANCE

Tenant allowance R -----.

Notes: This amount should be sufficient to cover possible changes to offices and other additional SALGA requirements. (Terms and conditions of the tenant allowance must be addressed in the written proposal)

12. SPECIAL CONDITIONS

The following should be noted by interested parties:

- 12.1 SALGA may at its discretion vary this instruction to include more scope/work or to exclude work/service areas. In the case of the latter, the bidder shall not be

entitled to claim for any work not required and may engage SALGA on the pricing of the additional work/ service proposed.

- 12.2 All copyright and intellectual property rights that may result because of the work to be performed shall reside with SALGA and the service provider shall be required to sign an agreement of confidentiality.
- 12.3 SALGA may dictate the framework in which documents (policies, plans, reports, etc.) shall be submitted; however, the service provider should be able to submit a proposal on the layout of his/her choice for consideration by SALGA.
- 12.4 SALGAs (general conditions of the bid, contract, and order) shall apply to this bid. The service provider shall be required to conclude and sign a Service Level Agreement (SLA) after the appointment.
- 12.5. SALGA reserves the right not to award the bid to any bidder at its discretion.
- 12.6 SALGA reserves the right to select solely on the information received in the bids or to negotiate further with one or more bidder/s.
- 12.7 SALGA will visit the buildings of the prospective bidders that meet the minimum requirements.
- 12.8 To contact any bidder during the evaluation period, to clarify information only, without informing any other bidder.
- 12.9 The bidder accepts that SALGA will have a right to contract with any other service provider for the provision of services not covered by this specification.
- 12.10 Government procedures will be followed in appointing the prospective bidder.
- 12.11 In line with the Legislative Framework, SALGA is not obliged to continue, renew, or extend any existing contracts of the bidder, unless it deems otherwise.)
- 12.13 SALGA will not award the bid to any prospective bidder who has not registered with the Central Database Supplier as regulated by the National Treasury Department.
- 12.14 The preferred bidder is expected to ensure that the building is insured and proof of such should be provided to SALGA upon request.

CONDITIONS OF BID

13. (FAILURE TO MEET ANY OF THE REQUIREMENTS BELOW MAY RENDER YOUR BID PROPOSAL NON-RESPONSIVE)

13.1 The requirement for the content of the project proposal section below outlines the information that must be included in bid offers. **Failure to provide all or part of the information may result in your bid being excluded from the evaluation process.**

- 13.2 The Service Provider will be required to sign confidentiality and indemnity agreements with SALGA.
- 13.3 SALGA may at its discretion vary an instruction to include more work.
- 13.4 Failure to comply with any condition of this request for a proposal will invalidate respective tender proposals.
- 13.5 If any conflict of interest is discovered during the assignment, SALGA reserves the right to summarily cancel the agreement and demand that all the information, documents and property of SALGA be returned forthwith.
- 13.6 SALGA reserves the right to request new or additional information regarding each bidder and any individual or other persons associated with its project proposal.
- 13.7 Bidders shall not make available or disclose details about their project proposal with anyone not specifically involved unless authorized to do so by SALGA.
- 13.8 Bidders shall not issue any press release, social media, or another public announcement about the details of their project without the prior written approval of SALGA.
- 13.9 Bidders are required to declare any conflict of interest they may have in the transaction for which the bid is submitted or any potential conflict of interest. SALGA reserves the right not to consider further any bid where such a conflict of interest exists or where a such potential conflict of interest may arise.
- 13.10 Bidders are advised that submission of a project proposal gives rise to no contractual obligations on the part of SALGA.
- 13.11. Disputes that may arise between SALGA and a bidder must be settled through mutual consultation, mediation (with or without legal representation) or, when unsuccessful, in a South African court of law.
- 13.12. In addition to adherence to the specific terms and conditions of proposals, provided in this document, the bidder shall be bound by the provisions of the General Conditions of Contract attached hereto, an originally signed copy of which must be submitted together with all other bid documentation.
- 13.13. SALGA will not be liable for costs incurred during the site visits (if applicable) or any other cost related to the submission of the bid.
- 13.14 The service provider may not cede or assign any part of its agreement with SALGA nor subcontract any part of the work assigned to them without the prior written authorisation of SALGA.
- 13.15 Intellectual property and ownership of all materials and products developed in the execution of the contract will be vested in SALGA.
- 13.16 Materials and products may not be made available to any unauthorised person or institution or sold for profit without prior writing from SALGA.

13.17 No information concerning the tender or award of the tender may be made available by the bidder to other parties without prior consultation and written approval from SALGA.

14 INSTRUCTIONS TO THE BIDDER

14.1 General Instructions

This document constitutes a Request for Proposal (RFP), which specifies SALGA's **request for the Provision of Office Accommodation for its Kwazulu-Natal Office in Durban**. The information contained herein provides a format to facilitate the bidder's response format must be followed closely to help maintain the decision-making timetable. Responses must be presented in the same order as the requirements appear, section by section, and numbered accordingly, with acknowledgement of all clauses. All pricing information should be fully disclosed with all charges clearly defined, i.e., a per-unit fee based on activity. Please feel free to address any other potential services not specifically mentioned in this RFP that may be of benefit to SALGA.

14.2 Where Consortia / Joint Ventures / Sub-contractors are involved; each party must be registered on the Central Supplier Database and their tax compliance status will be verified through the Central Supplier Database.

14.3 Questions During the Proposal Process

There will not be a briefing session for this bid, Bidders are encouraged to send their enquiries before the closing date to the email address below.

scm@salga.org.za.

Questions will only be taken up to four working days before the closing date.

Bidders finding apparent discrepancies or omissions in the RFP should notify Bidders may during the bidding period, be advised by Addenda, of any additions, clarifications, deletions, or alterations to these specifications. All such changes should be covered by the bidder's proposal. Information used in the preparation of a proposal from other than this RFP and any written addenda (considered as the proposal documents) will not be considered valid or official.

No further addenda will be issued by SALGA after 12:00 noon, **ten (10) business days** before RFP closing without providing an extension of time.

14.4 Submission of Proposal

NB: The bid proposal in a sealed opaque envelope shall contain one original hard copy document, clearly marked “original”, and five (5) hard copies, clearly marked “Copy” (i.e., three documents to be included in each sealed opaque envelope and a USB flash drive or memory stick with the true copy of the hard copy, and marked: SALGA/03/2023 Request for Provision of Office Accommodation for its Kwazulu-Natal Office in Durban.”

Note: The bids are to be delivered to the following addresses:

Physical address:

*South African Local Government Association (SALGA)
Menlyn Corporate Park
Block B; 175 Corobay Avenue
corner Garsfontein & Corobay Avenue
Waterkloof Glen ext. 11
PRETORIA
0181*

**Attention: Mr Moses Magolego
SCM Officer: Demand Management**

Proposals will be received at the reception desk on the first floor, during regular business hours only, up to. Late submissions will not be accepted.

Bidders remain solely responsible for the method of conveyance of their proposal to the receiving point. Fax transmissions or any other electronic communications are not acceptable.

SALGA will not be responsible for any costs incurred by the bidders associated with the preparation of responses to the RFP.

Proposals received past the time stated above will not be considered and will be returned to the bidder.

Proposals will be opened in public.

All proposals will remain in force and will be irrevocable for a **hundred and twenty days/120** after the proposed closing.

Proposals shall be stipulated sums without escalator clauses or other qualifications.

14.5 Contract Award

SALGA reserves the right to accept any proposal submitted or reject all proposals.

14.6 Termination of Contract

SALGA reserves the right to terminate the agreement with 30 days written notice to the winning bidder subject to the following:

the winning bidder fails to perform per the specified service requirements as set out in the RFP.

the winning bidder otherwise violates the provisions of the RFP to a substantial degree.

14.7 Liability

SALGA will not be held liable for any actions of the winning bidder and/or its employees.

14.8 Important Dates

- **09 June 2023**– Last date/opportunity for questions or to request clarity via email; and
- **27 June 2023** - Bid closing date due at 11:00.

15 FORMS

15.1 Standard Bidding Forms

a. Invitation to Bid

Form SBD 1 - Bidders must complete this document in full.

b. Pricing Schedule

Form SBD 3 - Bidders must complete this document in full.

c. Bidders Disclosure

Form SBD 4 - Bidders must complete this document in full.

d. Preference Points Claim form.

Form SBD 6.1 - Bidders must complete this document in full.

REVIEWED BY CHAIRPERSON: BID SPECIFICATION COMMITTEE

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/PUBLIC ENTITY)					
BID NUMBER:	SALGA/03/2023	CLOSING DATE:	27 June 2023	CLOSING TIME:	11:00
DESCRIPTION	Request for Proposals for the provision of office accommodation for its Kwazulu-Natal office in Durban for a period of five (5) years.				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
Menlyn Corporate Park (Block B) 1 ST Floor					
C/O Garsfontein and Corobay Avenue					
Waterkloof Glen Ext 11					
0181					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON			CONTACT PERSON		
TELEPHONE NUMBER			TELEPHONE NUMBER		
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS			E-MAIL ADDRESS		
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX]		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	[TICK APPLICABLE BOX]	
	<input type="checkbox"/> Yes	<input type="checkbox"/> No		<input type="checkbox"/> Yes	<input type="checkbox"/> No
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]	
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.					

**PART B
TERMS AND CONDITIONS FOR BIDDING**

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

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

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

SIGNATURE OF BIDDER:

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

DATE:

PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER:	BID NO.: SALGA/03/2023.....
CLOSING TIME 11:00	CLOSING DATE 27 June 2023.....

OFFER TO BE VALID FORDAYS FROM THE CLOSING DATE OF BID.

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)
---------	-------------	--

1. The accompanying information must be used for the formulation of proposals.

2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project. R.....

3. PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)

4. PERSON AND POSITION	HOURLY RATE	DAILY RATE
.....	R.....
.....	R.....
.....	R.....
.....	R.....
.....	R.....

5. PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT

.....	R..... days
.....	R..... days
.....	R..... days
.....	R..... days

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

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

TOTAL: R.....

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

Name of Bidder:

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

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

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

*[DELETE IF NOT APPLICABLE]

Any enquiries regarding bidding procedures may be directed to the –

Menlyn Corporate Park
C/o Garsfontein and Corobay Avenue
Waterkloof Glen
TEL: (012) 369 8000
EMAIL: scm@salga.org.za
WEBSITE: www.salga.org.za

Or for technical information –

Menlyn Corporate Park
C/o Garsfontein and Corobay Avenue
Waterkloof Glen
TEL: (012) 369 8000
EMAIL: scm@salga.org.za
WEBSITE: www.salga.org.za

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

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

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

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

2.2.1 If so, furnish particulars:

.....
.....

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

2.3.1 If so, furnish particulars:

.....
.....

3 DECLARATION

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

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring

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

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

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

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

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

.....
Signature Date

.....
Position Name of bidder

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

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

1.2 **To be completed by the organ of state**

(delete whichever is not applicable for this tender).

- a) The applicable preference point system for this tender is the **80/20** preference point system.
- b) Either the **90/10 or 80/20 preference point system** will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

- (a) Price; and
- (b) Specific Goals.

1.4 **To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

B-BBEE Status Level of Contributor	Number of points (80/20 system)	Number of points (90/10 system)
1	10	5
2	9	4

3	7	3
4	6	2
5	4	1
6	3	0
7	2	0
8	1	0
Specific Goals		
SMME's	4	4
100% Black Women owned	3	3
100 % Youth	3	3
Total Points	20	10

- 1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation.
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

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

Where

- Ps = Points scored for price of tender under consideration
Pt = Price of tender under consideration
Pmin = Price of lowest acceptable tender

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

3.2.1. POINTS AWARDED FOR PRICE

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

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

Where

- Ps = Points scored for price of tender under consideration
Pt = Price of tender under consideration
Pmax = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies,

an organ of state must, in the tender documents, stipulate in the case of—

- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
- (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

Table 1: Specific goals for the tender and points claimed are indicated per the table below.

(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.

Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
SMME's	4	4		
100% Black Women owned	3	3		
100 % Youth	3	3		

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One-person business/sole propriety
- Close corporation
- Public Company
- Personal Liability Company

- (Pty) Limited
 - Non-Profit Company
 - State Owned Company
- [TICK APPLICABLE BOX]

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person’s conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution, if deemed necessary.

.....

SIGNATURE(S) OF TENDERER(S)

SURNAME AND NAME:

DATE:

ADDRESS:

.....

.....

.....

THE NATIONAL TREASURY

Republic of South Africa



**GOVERNMENT PROCUREMENT:
GENERAL CONDITIONS OF CONTRACT**

July 2010

NOTES

The purpose of this document is to:

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

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

- The General Conditions of Contract will form part of all bid documents and may not be amended.
- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Contract amendments
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Dumping and countervailing duties
25. Force Majeure
26. Termination for insolvency
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General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:
 - 1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
 - 1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 “Day” means calendar day.
 - 1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.
 - 1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.
 - 1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
 - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of

origin and which have the potential to harm the local industries in the RSA.

- 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 "GCC" means the General Conditions of Contract.
- 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.
- 1.23 "SCC" means the Special Conditions of Contract.
- 1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance,

training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.

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

2. Application

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

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

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

3. General

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

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

4. Standards

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

5. Use of contract documents and information; inspection.

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

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

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

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

6. Patent rights

6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights

arising from use of the goods or any part thereof by the purchaser.

7. Performance security

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

8. Inspections, tests and analyses

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.

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

9. Packing

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

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental services

- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
 - (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
 - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
 - (c) furnishing of a detailed operations and maintenance manual

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

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

14. Spare parts

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

- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
- (b) in the event of termination of production of the spare parts:
 - (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
 - (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

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

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

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

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

15.5 If the supplier, having been notified, fails to remedy the defect(s)

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

- 16. Payment**
- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.
- 17. Prices**
- 17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.
- 18. Contract amendments**
- 18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.
- 19. Assignment**
- 19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.
- 20. Subcontracts**
- 20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.
- 21. Delays in the supplier's performance**
- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities

or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

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

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

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

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

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

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

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

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

terms of the contract or any other contract or any other amount which may be due to him

25. Force Majeure

- 25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for insolvency

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

27. Settlement of Disputes

- 27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 27.5 Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
 - (b) the purchaser shall pay the supplier any monies due the supplier.

28. Limitation of liability

- 28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;
- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

- (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
- 29. Governing language** 29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
- 30. Applicable law** 30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
- 31. Notices** 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
- 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
- 32. Taxes and duties** 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
- 33. National Industrial Participation Programme (NIP)** 33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.
- 34 Prohibition of Restrictive practices** In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).
- 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

- 34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.