



**APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE  
TRAVEL MANAGEMENT SERVICES TO EASTERN CAPE  
OFFICE OF THE PREMIER FOR A PERIOD OF 36 MONTHS**

**BID NO: SCMU 1-23/24-0006**

|   |                      |
|---|----------------------|
| <b>NAME OF BIDDER:</b>                      |                      |
| <b>CSD NUMBER</b>                           |                      |
| <b>CLOSING DATE</b>                         | <b>09 APRIL 2024</b> |
| <b>CLOSING TIME</b>                         | <b>11H00 am</b>      |
| <b>BID TOTAL AMOUNT<br/>(INCLUDING VAT)</b> | <b>R.....</b>        |

**PREPARED BY:**

SUPPLY CHAIN MANAGEMENT UNIT  
OFFICE OF THE PREMIER  
PRIVATE BAG X 0047  
BHISHO  
Website: [www.ecprov.gov.za](http://www.ecprov.gov.za)

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## BID NOTICE

Bids are hereby invited for BID:

### **APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE TRAVEL MANAGEMENT SERVICES TO EASTERN CAPE OFFICE OF THE PREMIER FOR A PERIOD OF 36 MONTHS: SCMU1-23/24-0006**

#### **AVAILABILITY OF DOCUMENT**

Bid documents will be available on National Treasury's tender portal (<http://www.etenders.gov.za/content/advertised-tenders>) or from Eastern Cape Office of the Premier 's website ([www.otp.ecprov.gov.za](http://www.otp.ecprov.gov.za)) under procurement as from 15<sup>th</sup> March 2024.

#### **SUBMISSION OF DOCUMENTS**

Completed bid documents in a sealed envelope endorsed with the relevant bid number, bid description must be deposited in the bid box situated at Office of the Premier, Independence Avenue old ECDC Building, Ground Floor (Reception Area) not later than **11 O'clock on 09 APRIL 2023** when bids will be opened in public.

#### **BRIEFING SESSION**

Compulsory briefing session will be held as follows:

Date: 28 March 2024

Time: 10h00

Venue: Virtual through MS teams (link to be requested via email to [scmrequests@ecotp.gov.za](mailto:scmrequests@ecotp.gov.za))

#### **PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT WILL BE APPLIED AND POINTS WILL BE AWARDED AS FOLLOWS:**

Price - 80 points  
Specific goals - 20 points

#### **BID EVALUATION**

The bid will be evaluated in three (03) phases as follows:

| <b>(Phase 1):<br/>SCM Compliance Requirements</b>   | <b>(Phase 2) :<br/>Functionality criteria</b>  | <b>(Phase 3) :<br/>Price and Specific Goals</b>  |
|---|--|--|
| Bidders must submit all documents on under mandatory requirements.<br><b>Only bidders that comply with ALL these criteria will proceed to Phase 2</b> | Only bidders who obtain at least 75 points of the 100 for functionality score will qualify for evaluation in terms of Gate 3 of the evaluation process (Price and specific goals). | In terms of the Preferential Policy Framework Regulations, 2022 pertaining to the Preferential Procurement Policy Framework Act, (Act No 5 of 2000), responsive bids will be evaluated in terms of 80/20 preference point system. Eighty (80) points will be allocated for the price and twenty (20) points for specific goal. |

**ENQUIRIES** : Name: Loyiso Manyela: [Loyiso.manyela@ecotp.gov.za](mailto:Loyiso.manyela@ecotp.gov.za)

## **SPECIAL CONDITIONS OF BID:**

### **1. INTERPRETATION**

The word "Bidder" in these conditions shall mean and include any firm of Contractors or any company or body incorporated or unincorporated.

The word "Department" in these conditions shall mean the OFFICE OF THE PREMIER

### **2. EXTENT OF BID**

This contract is for the:

**APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE TRAVEL MANAGEMENT SERVICES TO EASTERN CAPE OFFICE OF THE PREMIER FOR A PERIOD OF 36 MONTHS**

### **3. CONTRACT TO BE BINDING**

The formal acceptance of this Bid by the Department will constitute a contract binding on both parties, and the Department may require sureties to its satisfaction from the contractor, for the due fulfilment of this contract, should it be requested in the Term of Reference

### **4. MODE OF BID**

All Bids shall be completed and signed: All forms, annexures, addendums and specifications shall be signed and returned with the Bid document as a whole. ***The lowest or only bid will not necessarily be accepted.***

### **5. QUALITY**

Should the specifications and / or descriptions not address any aspects of quality as specified, this should be clarified with the Department prior to the submission of a Bid.

### **6. INSURANCE CLAIMS, ETC.**

The Department shall not be liable in any manner in respect of any claims, damages, accidents and injuries to persons, property or rights or any other courses of civil or criminal action that may arise from the carrying out of this contract.

The contractor shall insure his / her / their personnel and any plant, machinery or other mechanical or electronic equipment involved in the fulfilment of this contract and shall indemnify The Department against all risks or claims which may arise.

It may be required from the successful Bidder to submit proof of insurance or any other valid form of indemnification to The Department for scrutiny.

Failure to do so within 21 (twenty-one) days of acceptance of this Bid will be deemed to be a material breach of this contract and will render the contract null and void.

## **7. SIGNING OF DOCUMENTS**

Bidders are required to return the complete set of documents duly signed. In the event that a resolution to sign is not completed by all directors/ members of the enterprise, the signature of any one of the directors or members to this quotation will bind all the directors/ members of the enterprise and will therefore render the quotation valid. In the event that a non- member/ non-director to the enterprise sign this declaration, and no authority is granted, it will automatically invalidate the quotation. In the case of a joint venture or consortium, at least one director/ member of each of the parties need to sign the joint venture or consortium agreement. Furthermore, in the case of a joint venture or consortium at least one director/ member of each party to the joint venture or consortium must give consent to give authorisation for signatory to this bid.

## **8. PERIOD OF VALIDITY FOR BIDS AND WITHDRAWAL OF BID AFTER CLOSING DATE**

All Bids must remain valid for a period of **90 (Ninety)** days from the closing date as stipulated in the Bid document.

## **9. PENALTY PROVISION**

### **9.1** Should the successful Bidder:

- a) Withdraw the Bid during the afore-mentioned period of validity; or
- b) Advise the Department of his / her / their inability to fulfil the contract; or
- c) Fail or refuse to fulfil the contract; or
- d) Fail or refuse to sign the agreement or provide any surety if required to do so;

The Department may hold the bidder responsible for and the bidder is obligated to pay to the Department:

- a) All expenses incurred by the Department to advertise for or invite and deliberate upon new Bids, should this be necessary.
- b) The difference between the original accepted Bid price (inclusive of escalation) and:
  - i. A less favourable (for the Department) Bid price (inclusive of escalation) accepted as an alternative by the Department from the Bids originally submitted; or
  - ii. A new Bid price (inclusive of escalation).

### **9.2** Should the successful Bidder fail to deliver; provisions of the General Conditions of Contract will apply.

### **9.3** Disputes between the Department and a bidder (if any) will be dealt with in the form of litigation.

### **9.4** The penalties will be as per the SLA or Project Charter which will be signed after the awarding of the contract

**10. VALUE ADDED TAX**

In calculating the cost of the supply and delivery of services and / or material, the supplier will issue a “Tax Invoice” for all services rendered and / or materials supplied, which will reflect the exclusive cost of such services, goods or materials with the relevant Value Added Tax being added to the total.

**11. PRICE ESCALATION**

Contract price adjustments will be done annually on the anniversary of the contract start date. The price adjustment will be based on the Consumer Price Index Headline Inflation

|                               |                     |
|-------------------------------|---------------------|
| STATS SA P0141 (CPI), Table E | Table E - All Items |
|-------------------------------|---------------------|

**12. AUTHORITY TO SIGN BID DOCUMENTS**

- a) In the case of a Bid being submitted on behalf of a company, close corporation or partnership, evidence must be submitted to the Department at the time of submission of the Bid that the Bid has been signed by persons properly authorised thereto by resolution of the directors or under the articles of the entity. Furthermore, in the case of a joint venture or consortium at least one directors/ members of each party to the joint venture or consortium must give consent to give authorisation for signatory to this bid.
- b) In the event that a resolution to sign is not completed by all directors/ members of the enterprise, the signature of any one of the directors or members to this bid will bind all the directors/ members of the enterprise and will therefore render the bid valid.
- c) If a non-member/ non-director to the enterprise sign this declaration, and no authority is granted, it will automatically invalidate the bid.

**13. DURATION OF THE BID**

The successful bidder will be contracted for the period of thirty-Six (36) months, limited to the items listed on the tender document.

**14. DELIVERY PERIODS**

Delivery periods and relevant dates will be provided in the Service Level Agreement (SLA).

**15. DISPUTES OR LIABILITIES**

If disputes/ liabilities cannot be resolved by internal systems, the disputes will be settled by litigation. This paragraph replaces paragraph 29 in the General Conditions of Contract.

## **16. CLOSING DATE / SUBMITTING OF BIDS**

**16.1** Bids must be submitted in sealed envelopes clearly marked :

**16.2** The completed bid documents must be deposited in the bid box, Office of the Premier Building, Ground Floor (Reception Area), Bhisho not later than **the 09 April 2024 at 11AM** when bids will be opened in public.

## **17 NEGOTIATIONS WITH THE IDENTIFIED PREFERRED BIDDER**

**17.1** The Bid will be awarded to the bidder who scores the highest PPPFA points, calculated based on the total price offered. However, the final terms of this bid maybe subjected to negotiation with the identified preferred bidder, should a need arise.

**17.2** The Department may negotiate for additional resources from the successful bidder, should it be deemed necessary.



**REQUEST FOR PROPOSAL FOR**

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**APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE TRAVEL MANAGEMENT SERVICES TO EASTERN CAPE OFFICE OF THE PREMIER FOR A PERIOD OF 36 MONTHS**

**SCMU1-23/24-0006**

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## DEFINITIONS

**Accommodation** means the rental of lodging facilities while away from one's place of abode, but on authorised official duty.

**After-hours service** refers to an enquiry or travel request that is actioned after normal working hours, i.e. 17h00 to 8h00 on Mondays to Fridays and twenty-four (24) hours on weekends and public holidays.

**Air travel** means travel by airline on authorised official business.

**Authorising Official** means the employee who has been delegated to authorise travel in respect of travel requests and expenses, e.g. line manager of the traveller.

**Car Rental** means the rental of a vehicle for a short period of time by a Traveller for official purposes.

**Department** means the organ of state, Department or Public Entity that requires the provision of travel management services, in this case ECOTP.

**Domestic travel** means travel within the borders of the Republic of South Africa.

**Emergency service** means the booking of travel when unforeseen circumstances necessitate an unplanned trip or a diversion from original planned trip.

**International travel** refers to travel outside the borders of the Republic of South Africa.

**Lodge Card** is a credit card which is specifically designed purely for business travel expenditure. There is typically one credit card number which is "lodged" with the TMC at to which all expenditure is charged.

**Quality Management System** means a collection of business processes focused on consistently meeting customer requirements and enhancing their satisfaction. It is expressed as the organizational structure, policies, procedures, processes and resources needed to implement quality management.

**Regional travel** means travel across the border of South Africa to any of the SADC Countries, namely; Angola, Botswana, Democratic Republic of Congo (DRC), Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, Swaziland, United Republic of Tanzania, Zambia and Zimbabwe.

**Service Level Agreement (SLA)** is a contract between the TMC and Government that defines the level of service expected from the TMC.

**Shuttle Service** means the service offered to transfer a Traveller from one point to another, for example from place of work to the airport.

**Third party fees** are fees payable to third party service providers that provides travel related services on an ad hoc basis that is not directly provided by the TMC. These fees include visa fees and courier fees.

**Traditional Booking / Offsite Booking** is when an official sends the request for travel to the TMC and TMC execute that request from start to finish e.g. your current environment currently on traditional booking.

**Transaction Fee** means the fixed negotiated fee charged for each specific service type e.g. international air ticket, charged per type per transaction per traveller.

**Traveller** refers to a government official, consultant or contractor travelling on official business on behalf of Government.

**Travel Authorisation** is the official form utilised by Government reflecting the detail and order number of the trip that is approved by the relevant authorising official.

**Travel Booker** is the person coordinating travel reservations with the Travel Management Company (TMC) consultant on behalf of the Traveller, e.g. the personal assistant of the traveller.

**Travel Management Company** or TMC refers to the Company contracted to provide travel management services (Travel Agents).

**Travel Voucher** means a document issued by the Travel Management Company to confirm the reservation and/or payment of specific travel arrangements.

**Value Added Services** are services that enhance or complement the general travel management services e.g. Rules and procedures of the airports.

**VAT** means Value Added Tax.

**VIP or Executive Service** means the specialised and personalised travel management services to selected employees of Government by a dedicated consultant to ensure a seamless travel experience.

## **1. INTRODUCTION**

The mandate of the Eastern Cape Office of the Premier (ECOTP) is to ensure financial health of the province through efficient management and utilisation of public finances and other provincial resources in order to optimise service delivery.

## **2. PURPOSE**

The purpose of this bid is to solicit proposals from potential bidders for the provision of travel management services to OTP. This bid document details and incorporates, as far as possible, the tasks and responsibilities of the potential bidder required by OTP for the provision of travel management services.

## **3. LEGISLATIVE FRAMEWORK OF THE BID**

### **3.1 Tax Legislation**

- 3.1.1 Bidders must be compliant when submitting a proposal to OTP and remain compliant for the entire contract term with all applicable tax legislation, including but not limited to the Income Tax Act, 1962 (Act No. 58 of 1962) and Value Added Tax Act, 1991 (Act No. 89 of 1991).
- 3.1.2 It is a condition of this bid that the tax matters of the successful bidder be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.
- 3.1.3 The Tax Compliance status requirements are also applicable to foreign bidders / individuals who wish to submit bids.
- 3.1.4 It is a requirement that bidders grant a written confirmation when submitting this bid that SARS may on an ongoing basis during the period of the contract disclose the bidder's tax compliance status and by submitting this bid such confirmation is deemed to have been granted.
- 3.1.5 Bidders are required to be registered on the Central Supplier Database and the ECOTP shall verify the bidder's tax compliance status through the Central Supplier Database. The CSD report must be submitted.
- 3.1.6 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.

### 3.2 Procurement Legislation

OTP has a detailed evaluation methodology premised on Treasury Regulation 16A3 promulgated under Section 76 of the Public Finance Management Act, 1999 (Act, No. 1 of 1999), the Preferential Procurement Policy Framework Act 2000 (Act, No.5 of 2000) and the Broad-Based Black Economic Empowerment Act, 2003 (Act, No. 53 of 2003).

### 3.3 Technical Legislation and/or Standards

Bidders should be cognisant of the legislation and/or standards specifically applicable to the services.

## 4. BRIEFING SESSION

A compulsory briefing session will be held virtually through MS Teams platform as follows:

Date and time: **28 March 2024 at 10h00**

Link: Virtual through MS Teams (link to be requested via email to [scmrequests@ecotp.gov.za](mailto:scmrequests@ecotp.gov.za))

**Note: Any bidder who fails to attend the briefing session shall not be considered for evaluation purposes.**

## 5. TIMELINE OF THE BID PROCESS

The period of validity of tender and the withdrawal of offers, after the closing date and time is 90 days. The project timeframes of this bid are set out below:

| Activity   | Due Date      |
|--|---------------|
| Advertisement of bid on Government e-tender portal / departmental website/ Tender Bulletin | 15 March 2024 |
| Bid closing date   | 09 April 2024 |

All dates and times in this bid are South African standard time. Any time or date in this bid is subject to change at ECOTP's discretion. The establishment of a time or date in this bid does not create an obligation on the part of ECOTP to take any action or create any right in any way for any bidder to demand that any action be taken on the date established. The bidder accepts that, if ECOTP extends the deadline for bid submission (the Closing Date) for any reason, the requirements of this bid otherwise apply equally to the extended deadline.

## **6. CONTACT AND COMMUNICATION**

- 6.1 All queries must be directed in writing to Ms. Loyiso Manyela: [loyiso.manyela@ecotp.gov.za](mailto:loyiso.manyela@ecotp.gov.za)
- 6.2 The delegated office of ECOTP may communicate with Bidders where clarity is sought in the bid proposal.
- 6.3 Any communication to an official or a person acting in an advisory capacity for ECOTP in respect of the bid between the closing date and the award of the bid by the Bidder is discouraged.
- 6.4 All communication between the Bidders and ECOTP must be done in writing.
- 6.5 Whilst all due care has been taken in connection with the preparation of this bid, ECOTP makes no representations or warranties that the content of the bid or any information communicated to or provided to Bidders during the bidding process is, or will be, accurate, current or complete. ECOTP, and its employees and advisors will not be liable with respect to any information communicated, which may not be accurate, current or complete.
- 6.6 If Bidders find or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by ECOTP (other than minor clerical matters), the Bidders must promptly notify ECOTP in writing of such discrepancy, ambiguity, error or inconsistency in order to afford ECOTP an opportunity to consider what corrective action is necessary (if any).
- 6.7 Any actual discrepancy, ambiguity, error or inconsistency in the bid or any other information provided by ECOTP will, if possible, be corrected and provided to all Bidders without attribution to the Bidder who provided the written notice.
- 6.8 All persons (including Bidders) obtaining or receiving the bid and any other information in connection with the Bid or the Tendering process must keep the contents of the Bid and other such information confidential, and not disclose or use the information except as required for the purpose of developing a proposal in response to this Bid.

## **7. LATE BIDS**

Bids received after the closing date and time, at the address indicated in the bid documents, will not be accepted for consideration and where practicable, be returned unopened to the Bidder where we have return address.

## **8. COUNTER CONDITIONS**

Bidders' attention is drawn to the fact that amendments to any of the Bid Conditions or setting of counter conditions by Bidders or qualifying any Bid Conditions will result in the invalidation of such bids.

## **9. FRONTING**

- 9.1 Government supports the spirit of broad based black economic empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background, the Government condemn any form of fronting.
- 9.2 The Government, in ensuring that Bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in bid documents. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry, be established during such enquiry / investigation, the onus will be on the bidder to prove that fronting does not exist. Failure to do so within a period of 14 days from date of notification may invalidate the bid / contract and may also result in the restriction of the bidder to conduct business with the public sector for a period not exceeding ten years, in addition to any other remedies ECOTP may have against the bidder concerned.

## **10. SUPPLIER DUE DILIGENCE**

ECOTP reserves the right to conduct supplier due diligence prior to final award or at any time during the contract period. This may include site visits and requests for additional information.

## **11. SUBMISSION OF BIDS**

- 11.1 Bid documents must be placed in the bid box situated at ECOTP (ECDC building), Ground Floor at security, Independence Avenue, Bhishe OR couriered to the aforesaid address on or before the closing date and time. Service Providers who courier document must ensure that the document is placed in the bid box before the closing date and time.
- 11.2 Bid documents will only be considered if received by ECOTP before the closing date and time, regardless of the method used to send or deliver such documents to ECOTP
- 11.3 The bidders are required to submit one original bid proposal according to the following format:

| BID PROPOSAL  | YES/ NO | INDICATE PAGE NO. |
|---|---------|-------------------|
| Exhibit 1:<br>Pre-qualification documents<br><i>(Refer to Section 16.1 - Gate 0: Pre-qualification Criteria (Table 2))</i>  |         |                   |
| Exhibit 2:<br><ul style="list-style-type: none"> <li>● Special conditions</li> <li>● Supporting documents for special conditions.</li> </ul> <i>(Refer to Section 16.2 - Gate 1: Minimum Requirements of the bid)</i> |         |                   |
| Exhibit 3:<br><ul style="list-style-type: none"> <li>● Functionality Criteria</li> <li>● Supporting documents for Functional Criteria</li> </ul> <i>(Refer to Section 16.3 - Gate 2)</i>                              |         |                   |
| Exhibit 4:<br><ul style="list-style-type: none"> <li>● General Conditions of Contract (GCC)</li> </ul>  |         |                   |
| Exhibit 5:<br><ul style="list-style-type: none"> <li>● Company Profile</li> <li>● Annexure B</li> <li>● Any other supplementary information</li> </ul>  |         |                   |
| Exhibit 6:<br>Pricing Schedule<br><i>(Refer to Section 15 – Pricing Model and Annexure A3 – Pricing Submission)</i>   |         |                   |

Bidders are requested to initial each page of the tender document on the bottom right hand corner.

## 12. PRESENTATION / DEMONSTRATION

ECOTP reserves the right to request presentations/demonstrations from the short-listed Bidders as part of the bid evaluation process.

## 13. DURATION OF THE CONTRACT

The successful bidder will be appointed for a period of thirty-six (36) months.

## 14. SCOPE OF WORK

ECOTP currently uses a private Travel Management Service Provider to manage the travel requisition and travel expense processes within the travel management lifecycle. ECOTP's

primary objective in issuing this bid is to enter into an agreement with a successful bidder who will achieve the following:

- I. Provide ECOTP with the travel management services that are consistent and reliable and will maintain a high level of traveller satisfaction in line with the service levels;
- II. Achieve significant cost savings for ECOTP without any degradation in the services; and
- III. Appropriately contain ECOTP’s risk and traveller risk.

#### 14.1. Travel Volumes

The current ECOTP total volumes per annum includes air travel, accommodation, car hire, conference, etc. The table below details projections based on 2021/22 to 2023/24 December trends:

**Table 1**

| No | Description   | 2021/22 | 2022/23 | 2023/24<br>(9 Months) |
|----|---|---------|---------|-----------------------|
| 1  | Air Travel – International  | 5       | 11      | 10                    |
| 2  | Air Travel – Domestic   | 37      | 105     | 175                   |
| 3  | Car Rental – Domestic   | 37      | 140     | 127                   |
| 4  | Car Rental – Regional & International                                   | 0       | 1       | 10                    |
| 5  | Transfers/Shuttle – Domestic  | 2       | 8       | 14                    |
| 6  | Accommodation – Domestic  | 502     | 1017    | 112                   |
| 7  | Accommodation – Regional & International                                | 0       | 15      | 10                    |
| 8  | Visa Assistance<br>(Provision of documents and advice)                  | 0       | 3       | 5                     |
| 9  | Conference Package (Venue hire, catering, equipment, printing services) | 111     | 165     | 115                   |

Note: These figures are actuals based on the 2021/22 to 2023/24 December trends and are meant for illustration purposes only.



## **14.2. Service Requirements**

### **14.2.1. General**

The successful bidder will be required to provide travel management services. Deliverables under this section include without limitation, the following:

- i. The travel services will be provided to all Travellers travelling on behalf of ECOTP, locally and internationally. This will include employees and contractors, consultants, and clients where the agreement is that ECOTP is responsible for the arrangement and cost of travel.
- ii. Provide travel management services during normal office hours (Monday to Friday 8h00 – 17h00) and provide after hours and emergency services as stipulated in paragraph 14.4.6.
- iii. Familiarisation with current ECOTP travel business processes.
- iv. Familiarisation with current travel suppliers and negotiated agreements that are in place between Government and third parties. Assist with further negotiations for better deals with travel service providers.
- v. Familiarisation with current ECOTP Travel Policy and implementation of controls to ensure compliance.
- vi. Penalties incurred as a result of the inefficiency or fault of a travel consultant will be for the TMC's account, subject to the outcome of a formal dispute process.
- vii. Provide a facility for ECOTP to update their travellers' profiles.
- viii. Manage the third-party service providers by addressing service failures and complaints against these service providers.
- ix. Consolidate all invoices from travel suppliers.
- x. Provide a detailed transition plan for implementing the service without service interruptions and engage with the incumbent service provider to ensure a smooth transition.
- xi. Provide the reference letters from existing / recent clients (within past 5 years) which are of a similar size to ECOTP based on estimated volumes in Table 1 above (14.3).
- xii. Provide a valid certificate for International Air Transport Association (IATA)

membership. Proof of such membership must be submitted with the bid at closing date and time.

- xiii. Foreign travel support services (copies of foreign transactions undertaken or proof of international travels arranged within the last twelve months must be attached).
- xiv. The TMC must provide maximum insurance cover in respect of International and Domestic travellers.

#### 14.2.2. **Reservations**

The Travel Management Company will:

- i. Receive travel requests from travellers and/or travel bookers, respond with quotations (confirmations) and availability. Upon the receipt of the relevant approval, the travel agent will issue the required e-tickets and vouchers immediately and send it to the travel booker and traveller via the agreed communication medium.
- ii. Always endeavour to make the most cost-effective travel arrangements based on the request from the traveller and/or travel booker.
- iii. Apprise themselves of all travel requirements for destinations to which travellers will be travelling and advise the Traveller of alternative plans that are more cost effective and more convenient where necessary.
- iv. Obtain a minimum of three (3) price comparisons for all travel requests where the routing or destination permits.
- v. Book the negotiated discounted fares and rates where possible as issued by National Treasury time to time.
- vi. Must keep abreast of carrier schedule changes as well as all other alterations and new conditions affecting travel and make appropriate adjustments for any changes in flight schedules prior to or during the traveller's official trip. When necessary, e-tickets and billing shall be modified and reissued to reflect these changes.
- vii. Book parking facilities at the airports where required for the duration of the travel.
- viii. Respond timely and process all queries, requests, changes and cancellations timeously and accurately.
- ix. Must be able to facilitate group bookings (e.g. for meetings, conferences, events,

etc.).

- x. Must issue all necessary travel documents, itineraries and vouchers timeously to traveller(s) prior to departure dates and times.
- xi. Advise the Traveller of all visa and inoculation requirements well in advance.
- xii. Assist with the arrangement of foreign currency and the issuing of travel insurance for international trips where required.
- xiii. Facilitate any reservations that are not bookable on the Global Distribution System (GDS).
- xiv. Note that, unless otherwise stated, all cases include domestic, regional and international travel bookings.
- xv. Visa applications will not be the responsibility of the TMC; however, the relevant information must be supplied to the traveller(s) where visas will be required.
- xvi. Negotiated airline fares, accommodation establishment rates, car rental rates, etc, which are negotiated directly or established by National Treasury or by ECOTP are non-commissionable, where commissions are earned for ECOTP bookings all these commissions should be returned to ECOTP on a quarterly basis.
- xvii. Ensure confidentiality in respect of all travel arrangements and concerning all persons requested by ECOTP.
- xviii. Timeous submission of proof that services have been satisfactorily delivered (invoices) as per ECOTP's instructions.

#### 14.2.3. **Air Travel**

- i. The TMC must be able to book full-service carriers as well as low-cost carriers and flexible air tickets where applicable.
- ii. The TMC must be able to book aircraft charter services within 24 hours of traveller's request.
- iii. The TMC will book the most cost-effective airfares possible for domestic travel.
- iv. For international flights, the airline which provides the most cost effective and practical routings may be used.
- v. The TMC should obtain three or more price comparisons where applicable to

present the most cost effective and practical routing to the Traveller.

- vi. The airline ticket should include the applicable airline agreement number as well as the individual loyalty program number of the Traveller (if applicable).
- vii. Airline tickets must be delivered electronically (SMS and/or email format) to the traveller(s) and travel bookers promptly after booking.
- viii. The TMC will also assist with the booking of charters for VIPs utilising the existing transversal term contract where applicable as well as the sourcing of alternative service providers for other charter requirements.
- ix. The TMC will be responsible for the tracking and management of unused e-tickets as per agreement with the institution and provide a report on refund management once a quarter.
- x. The TMC must during their report period provide proof that bookings were made against the discounted rates on the published fairs where applicable.
- xi. Ensure that travellers are always informed of any travel news regarding airlines (like baggage policies, checking in arrangements, etc.)
- xii. Assist with lounge access if and when required.

#### 14.2.4. **Accommodation**

- i. The TMC will obtain price comparisons within the maximum allowable rate matrix as per the cost containment instruction of the National Treasury.
- ii. The TMC will obtain three price comparisons from accommodation establishments that provide the best available rate within the maximum allowable rate and that is located as close as possible to the venue or office or location or destination of the traveller.
- iii. This includes planning, booking, confirming and amending of accommodation with any establishment (hotel group, private hotel, guesthouse or Bed & Breakfast) in accordance with ECOTP's travel policy.
- iv. ECOTP travellers may only stay at accommodation establishments with which Government has negotiated corporate rates. Should there be no rate agreement in place in the destination, or should the contracted establishment be unable to accommodate the traveller, the TMC will source suitable accommodation bearing in mind the requirement of convenience for the traveller and conformation with acceptable costs, or as stipulated in written directives issued from time to time

by the National Treasury or ECOTP.

- v. Accommodation vouchers must be issued to all ECOTP travellers for accommodation bookings and must be invoiced to ECOTP as per arrangement. Such invoices must be supported by a copy of the original hotel accommodation charges.
- vi. The TMC must during their report period provide proof, where applicable, that accommodation rates were booked within the maximum allowable rates as per the cost containment instruction of the National Treasury.
- vii. Cancellation of accommodation bookings must be done promptly to guard against no show and late cancellation fees.

#### **14.2.5. Car Rental and Shuttle Services**

- i. The TMC will book the approved category vehicle in accordance with the ECOTP Travel Policy with the appointed car rental service provider from the closest rental location (airport, hotel and venue).
- ii. The travel consultant should advise the Traveller on the best time and location for collection and return considering the Traveller's specific requirements.
- iii. The TMC must ensure that relevant information is shared with travellers and the department in writing regarding rental vehicles, like e-tolls, refuelling, keys, rental agreements, damages, accidents and traffic fines, etc.
- iv. The TMC must ensure that relevant information is shared with travellers and the department in writing regarding damages, accidents and traffic fines.
- v. For international travel, the TMC may offer alternative ground transportation to the Traveller that may include rail, buses and transfers.
- vi. The TMC will book transfers in line with the ECOTP Travel Policy with the appointed and/or alternative service providers. Transfers can also include bus and coach services.
- vii. The TMC should manage shuttle companies on behalf of the ECOTP and ensure compliance with minimum standards. The TMC should also assist in negotiating better rates with relevant shuttle companies.
- viii. The TMC must during their report period provide proof that negotiated rates were booked, where applicable.
- ix. The TMC must during the subsistence of the contract period, provide car rental solution which includes maximum insurance cover for the insured vehicle, this shall be built into the invoice when billing is done.

#### **14.2.6. After Hours and Emergency Services**

- i. The TMC must provide a consultant or team of consultants to assist Travellers with after hours and emergency reservations and changes to travel plans.
- ii. A dedicated consultant/s must be available to assist VIP/Executive Travellers with after hour or emergency assistance.
- iii. After hours' services must be provided from Monday to Friday outside the official hours and twenty-four (24) hours on weekends and Public Holidays.
- iv. A call centre facility or after hours contact number should be available to all travellers so that when required, unexpected changes to travel plans can be made and emergency bookings attended to.
- v. The TMC must have a standard operating procedure for managing after hours and emergency services. This must include purchase order generation of the request within 24 hours.

#### **14.2.7. Conferencing, Venue and Facilities**

Arranging for hiring of venues, facilities and catering as and when required by the department, negotiating discounts on standard rates with all available hotel groups or conferencing suppliers on behalf of the department (this shall exclude contracting of facilitators, training equipment and stationery).

### **14.3. Communication**

- 14.3.1. The TMC may be requested to conduct workshops and training sessions for Travel Bookers of ECOTP.
- 14.3.2. All enquiries must be attended to and prompt feedback be provided in accordance with the Service Level Agreement.
- 14.3.3. The TMC must ensure sound communication with all stakeholders. The TMC must link the business traveller, travel coordinator, Travel Management Company in one smooth continuous workflow.

### **14.4. Financial Management**

- 14.4.1 The TMC must implement the rates negotiated by Government with travel service providers or the discounted airfares, or the maximum allowable rates established by the National Treasury where applicable.

- 14.4.2 The TMC will be responsible to manage the service provider accounts. This will include the timely receipt of invoices to be presented to ECOTP for payment within the agreed time period. Invoices must be submitted within 14 days of travelling,
- 14.4.3 Enable savings on total annual travel expenditure and this must be reported and proof provided during monthly and quarterly reviews.
- 14.4.4 The TMC will be required to offer a 30-day bill-back account facility to institutions should a lodge card not be offered. 'Bill back', refers to the supplier sending the bill back to the TMC, who, in turn, invoices ECOTP for the services rendered.
- 14.4.5 Where pre-payments are required for smaller Bed & Breakfast /Guest House facilities, these will be processed by the TMC. These are occasionally required at short notice and even for same day bookings.
- 14.4.6 Consolidate Travel Supplier bill-back invoices.
- 14.4.7 The TMC is responsible for the consolidation of invoices and supporting documentation to be provided to ECOTP's Financial Department on the agreed time period. This includes attaching the Travel Authorisation or Purchase Order and other supporting documentation to the invoices reflected on the Service Provider bill-back report.
- 14.4.8 Ensure Travel Supplier accounts are settled within five working days of the service being rendered.

#### **14.5. Technology, Management Information and Reporting**

- 14.5.1. The TMC must have the capability to consolidate all management information related to travel expenses into a single source document with automated reporting tools.
- 14.5.2. All management information and data input must be accurate.
- 14.5.3. The TMC will be required to provide the ECOTP with a minimum of three (3) standard monthly reports that are in line with the National Treasury's Cost Containment Instructions reporting template requirements at no cost. The successful bidder will be provided with the required reporting templates.
- 14.5.4. Reports must be accurate and be provided as per ECOTP's specific requirements at the agreed time. Information must be available on a transactional level that reflect detail including the name of the traveller, date of travel, spend category (example air travel, shuttle, accommodation).
- 14.5.5. ECOTP may request the TMC to provide additional management reports.

14.5.6. Reports must be available in an electronic format for example Microsoft Excel.

#### **14.6. Quarterly and Annual Travel Reviews**

14.6.1. Quarterly reviews are required to be presented by the TMC on all ECOTP travel activity in the previous three-month period. These reviews must be comprehensive and presented to ECOTP as part of the performance management reviews based on the service levels.

14.6.2. These Travel Reviews will include without limitation the following information expenditure on a quarterly basis :-

- a. Venue hiring;
- b. Air travel;
- c. Accommodation; and
- d. Car rental/ shuttle services

14.6.3. Service Level Agreement must be provided on the agreed date. It will include but will not be limited to the following:

##### **Travel**

- a) After hours' Report;
- b) Compliments and complaints;
- c) Consultant Productivity Report;
- d) Long term accommodation and car rental;
- e) Extension of business travel to include leisure;
- f) Upgrade of class of travel (air, accommodation and ground transportation);
- g) Bookings outside Travel Policy;
- h) Name of establishment (B&B or hotel), area and status level.

##### **Finance**

- a) Reconciliation of commissions/rebates or any volume driven incentives;
- b) Creditor's ageing report;
- c) Creditor's summary payments;
- d) Daily invoices;
- e) Reconciled reports for Travel Lodge card statement;
- f) No show report;
- g) Cancellation report;
- h) Receipt delivery report;
- i) Monthly Bank Settlement Plan (BSP) Report;
- j) Refund Log;
- k) Open voucher report, and
- l) Open Age Invoice Analysis.

The TMC will implement all the necessary processes and programs to ensure that all the data is secure at all times and not accessible by any unauthorised parties.



## **14.7. Account Management**

- 14.7.1. An Account Management structure should be put in place to respond to the needs and requirements of the Office of the Premier and act as a liaison for handling all matters with regard to delivery of services in terms of the contract.
- 14.7.2. The TMC must appoint a dedicated Account or Business Manager that is ultimately responsible for the management of the ECOTP's account.
- 14.7.3. The necessary processes should be implemented to ensure good quality management and ensuring Traveller satisfaction at all times.
- 14.7.4. A compliments and complaint handling procedure must be implemented to manage and record the compliments and complaints of the TMC and other travel service providers.
- 14.7.5. Ensure that the ECOTP's Travel Policy is enforced.
- 14.7.6. The Service Level Agreement (SLA) must be managed and customer satisfaction surveys conducted to measure the performance of the TMC.
- 14.7.7. Ensure that workshops/training is provided to Travellers and/or Travel Bookers.
- 14.7.8. During reviews, comprehensive reports on the travel spend and the performance in terms of the SLA must be presented.

## **14.8. Value Added Services**

The TMC must provide the following value added services:

- 14.8.1. Information for regional and international destinations;
- 14.8.2. Health warnings;
- 14.8.3. Weather forecasts;
- 14.8.4. Places of interest;
- 14.8.5. Visa information;
- 14.8.6. Travel alerts;
- 14.8.7. Location of hotels and restaurants;
- 14.8.8. Information including the cost of public transport;

- 14.8.9. Rules and procedures of the airports;
- 14.8.10. Business etiquette specific to the country;
- 14.8.11. Airline baggage policy;
- 14.8.12. Supplier updates
- 14.8.13. Electronic voucher retrieval via web and smart phones;
- 14.8.14. SMS notifications for travel confirmations;
- 14.8.15. Travel audits;
- 14.8.16. Global Travel Risk Management; and
- 14.8.17. VIP services for Executives that include, but is not limited to check-in support.

#### **14.9. Cost Management**

- 14.9.1. The National Treasury cost containment initiative and the ECOTP's Travel Policy is establishing a basis for a cost savings culture.
- 14.9.2. It is the obligation of the TMC Consultant to advise on the most cost-effective option at all times, and costs should be within the framework of the National Treasury's cost containment instructions.
- 14.9.3. The TMC plays a pivotal role to provide high quality travel related services that are designed to strike a balance between effective cost management, flexibility and traveller satisfaction.
- 14.9.4. The TMC should have in-depth knowledge of the relevant supplier(s)' products, to be able to provide the best option and alternatives that are in accordance with ECOTP's Travel Policy to ensure that the Traveller reaches his/her destination safely, in reasonable comfort, with minimum disruption, cost effectively and in time to carry out his/her business.

#### **14.10. Office Management**

The TMC to ensure high quality service to be delivered at all times to ECOTP's travellers. The TMC is required to provide ECOTP with highly skilled and qualified human resources of the following roles but not limited to:

- a. 1 x Senior Consultant
- b. Travel Manager (Operational)
- c. Finance Manager / Branch Accountant
- d. Admin Back Office (Creditors / Debtors/Finance Processors)

- e. System Administrator (General Admin)

## 15. PRICING MODEL

- 15.1 ECOTP requires bidders to do pricing based on the service fee model. **Refer Annexure A: Pricing Schedule.** The service fee must be a fixed amount per service. The fee must be linked to the cost involved in delivering the service and not a percentage of the value or cost of the service provided by third party service providers.
- 15.2 Bidders must complete the entire three (3) tabs of **Annexure A: Pricing Schedule**, which will be provided in MS Excel format.
- 15.3 Bidders must accurately cost all items where applicable as zero or no cost items will be accepted as a free costing, meaning no charge will be claimed to the department.
- 15.4 Costing should be informed by the following:
- 15.4.1 Traditional booking
- 15.5 Volume Driven Incentives - It is important for bidders to note the following when determining the pricing:
- 15.5.1 National Treasury and ECOTP has / will negotiate non-commissionable fares and rates with various airline carriers and other service providers;
  - 15.5.2 No override commissions earned through ECOTP reservations will be paid to the TMC;
  - 15.5.3 An open book policy will apply and any commissions earned through the ECOTP volumes will be reimbursed to ECOTP; and
  - 15.5.4 TMC is to book these negotiated rates or the best fare available, whichever is the most cost effective for the institution.

## 16. EVALUATION AND SELECTION CRITERIA

ECOTP has set minimum standards (Gates) that a bidder needs to meet in order to be evaluated and selected as a successful bidder. The minimum standards consist of the following:

| <b>(Gate 0):<br/>Pre-qualification<br/>Criteria</b>   | <b>(Gate 1)<br/>Minimum<br/>Requirements<br/>Criteria</b>   | <b>(Gate 2)<br/>Functionality<br/>Criteria</b>  | <b>(Gate 3)<br/>Price and Specific Goals<br/>Evaluation</b>   |
|---|---|---|---|
| <p>Bidders must submit all documents as outlined in paragraph 16.1 (Table 2) below.</p> <p><b>Only bidders that comply with ALL these criteria will proceed to Gate 1</b></p> | <p>Bidders must meet all the criteria stipulated under Minimum Requirements (paragraph 16.2) to proceed to Gate 2 (Functionality.</p> | <p>Following the compliance evaluation in terms of Gates 0 and 1, bids will be evaluated in terms of functionality Criteria and Price &amp; Specific goals.</p> | <p>Bidders will be evaluated in terms of section 5 of PPPFA 2000, Preferential Procurement Regulations, 2022. Eighty (80) points for price and twenty (20) points for specific goals.</p> |

## 16.1 Gate 0: Pre-qualification Criteria

16.1.1 Without limiting the generality of ECOTP's other critical requirements for this Bid, bidders must submit the documents listed in Table 2 below. All documents must be completed and signed by the duly authorised representative of the prospective bidder. During this phase, bidders' response will be evaluated based on compliance with the listed administration and mandatory bid requirements.

**Table 2: Documents that must be submitted for Pre-qualification.**

| Document that must be submitted   | Explanatory information   |
|---|---|
| Invitation to Bid – SBD 1   | Complete and sign the supplied pro forma document   |
| Declaration of Interest – SBD 4   | Complete and sign the supplied pro forma document   |
| Preference Point claim form SBD 6.1   | Complete and sign the supplied pro forma document   |
| Proof of Local Office within the Eastern Province (Municipal account / Office Lease agreement / Title deed) | Bidders must have a fully operational office within the Eastern Cape Province. The Department reserves a right to verify the existence of such office. Failure to meet this requirement will lead to disqualification.  |
| Valid IATA Certificate  | Bidders must submit a valid International Air Transport Association (IATA) certificate (certified copy) at closing date. Failure to meet this requirement will lead to disqualification.  |
| Pricing Schedule  | Submit full details of the pricing proposal as per <b>Annexure A. Blank spaces will be regarded as incomplete. Should the bidder not charge for the service, the bidder must indicate that with a zero (0).</b> Bidders must complete the entire three (3) tabs of Annexure A: Pricing Schedule, which will be provided in MS Excel format.   |
| Registration on Central Supplier Database (CSD)   | The Travel Management Company (TMC) must be registered as a service provider on the Central Supplier Database (CSD). If you are not registered, proceed to complete the registration of your company prior to submitting your proposal. Visit <a href="https://secure.csd.gov.za/">https://secure.csd.gov.za/</a> to obtain your vendor number. Submit CSD printout as proof of registration. |

## 16.2 Gate 1: Minimum Requirements of the bid

16.2.1 All bidders are required to provide all the information below. **Failure to do so will result in disqualification of the bid:**

16.2.1.1 Bidders must have a minimum of three contracts in provision of travel management services as follows:

- i. Each contract must have been successfully executed for a period of 12 months and above.
- ii. Reference letters (not older than five years) on clients' letterhead as evidence of services rendered must be submitted.
- iii. Reference letters must clearly state the contract period and confirm that the services were rendered satisfactory.

16.2.1.2 Bidders must attach copies of foreign transactions undertaken or international travels arranged within the last thirty-six months (36) as proof of foreign travel support services.

16.2.1.3 The bidder must provide audited financial statements of the last financial year as presented by an independent auditor and a bank code letter not older than one (1) month from the bid closing date.

## 16.3 Gate 2: FUNCTIONALITY CRITERIA

The evaluation is based on functionality, which will be evaluated using the following criteria and points:

- Functionality of tender submissions will be evaluated out of a maximum of 100.
- Only bidders who obtain at least 75 points of the 100 for functionality score will qualify for evaluation in terms of Gate 3 of the evaluation process (Price and specific goals).
- Bidders achieving less than the set minimum threshold will not be evaluated further and will be deemed non-responsive.

| No. | Functionality Criteria   | Points 100 |
|-----|--|------------|
| 1   | <p><b><u>Company Experience</u></b><br/>Demonstrate the bidder's ability to execute the travel management services as indicated on paragraph 16.2.1.1.</p> <ul style="list-style-type: none"><li>• 9 and above = 40 points</li><li>• 7 - 8 and above = 30 points</li><li>• 5 - 6 contracts = 20 points</li><li>• 3 - 4 contracts = 10 points</li></ul> | 40         |

|              |  |            |
|--------------|--|------------|
| 2            | <p><b><u>Technical Team</u></b><br/> Composition of key technical team to be utilized in the execution of the contract consist of the following members:</p> <ul style="list-style-type: none"> <li>• Travel Manager / Business Manager must have a minimum of five (05) years' relevant experience in organizing corporate travel, tracking travel expenses, and devising a comprehensive travel strategy. = <b>15 points</b></li> <li>• Travel Consultant with a minimum of five (5) years' relevant experience in facilitating travel arrangements and accommodations for individuals and groups and ensuring that clients have all the necessary documentation required to travel to their destinations. = <b>10 points</b></li> <li>• Finance Manager, with a minimum of three (3) years' relevant experience in keeping accurate business transactions in ledgers and ensures the team records them on financial statements timeously and issuing accurate invoices and statements to clients. = <b>05 points</b></li> </ul> <p><b>Attach copies of relevant CV's for each team member, clearly indicating a detailed profile of their previous work experience.</b></p> | 30         |
| 3            | <p><b><u>Financial capacity</u></b><br/> The bidder must provide the latest audited financial statements as presented by an independent auditor. The audited financial statement indicating below ratios:<br/> Current Ratios: Current Assets/Current Liabilities</p> <ul style="list-style-type: none"> <li>• 2+ = <b>15 points</b></li> <li>• 1,25 + to 1,9 = <b>10 points</b></li> <li>• 1,25 = <b>5 points</b></li> </ul> <p>Bidder must submit a bank rating letter not older than 3 months from the bid closing date.</p> <ul style="list-style-type: none"> <li>• Code A = <b>15 points</b></li> <li>• Code B = <b>10 points</b></li> <li>• Code C = <b>5 points</b></li> </ul>   | 30         |
| <b>Total</b> |  | <b>100</b> |

**16.4 Gate 3: Price and Specific goals Evaluation (80+20) = 100 points**

16.4.1 Only Bidders that have met all the requirements of Gate 2 will be evaluated in Gate 3 for price and specific goals. Price and specific goals will be evaluated as follows:

16.4.2 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 the table below as may be supported by proof/ documentation stated in the conditions of this tender:

16.4.3 The applicable preference point system for this tender is the 80/20 preference point system.

The maximum points for this tender are allocated as follows:

|  | POINTS     |
|--|------------|
| PRICE  | 80         |
| SPECIFIC GOALS                                   | 20         |
| <b>Total points for Price and SPECIFIC GOALS</b> | <b>100</b> |

### POINTS AWARDED FOR PRICE

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

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

Where?

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

### POINTS AWARDED FOR SPECIFIC GOALS (20 Points)

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

| The specific goals allocated points in terms of this tender  | Number of points allocated (80/20 system) (To be completed by the organ of state) | Documentation to be submitted by bidders to validate their claim for points                            |
|--|---|--|
| Youth owned entities   | 5   | -ID document.<br>-Company registration (CIPC)  |
| Women owned Entities   | 5   | -Company registration (CIPC)<br>-ID  |
| Entities owned by people with disabilities   | 5   | Proof of disability such as SASSA registration or confirmation of disability from a relevant authority |
| South African citizen - who, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act 110 of 1983) or the Constitution of the Republic of South Africa, 1993, (Act 200 of 1993) | 3   | -ID Copy<br>-CIPC (Company registration)   |

|                              |           |  |
|------------------------------|-----------|--|
| Eastern Cape based Suppliers | 2         | Municipal Bill statement / Lease agreement |
| <b>Total</b>                 | <b>20</b> |  |

Specific goals points will be allocated to bidders on submission of documentation stated above as evidence required to substantiate the points claimed.

## 17. GENERAL CONDITIONS OF CONTRACT

Any award made to a bidder under this bid is conditional, amongst others, upon –

- a. The bidder accepting the terms and conditions contained in the General Conditions of Contract as the minimum terms and conditions upon which ECOTP is prepared to enter into a contract with the successful Bidder.
- b. The bidder submitting the General Conditions of Contract to ECOTP together with its bid, duly signed by an authorised representative of the bidder.

## 18. CONTRACT PRICE ADJUSTMENT

Contract price adjustments will be done annually on the anniversary of the contract start date. The price adjustment will be based on the Consumer Price Index Headline Inflation

|                               |                     |
|-------------------------------|---------------------|
| STATS SA P0141 (CPI), Table E | Table E - All Items |
|-------------------------------|---------------------|

## 19. SERVICE LEVEL AGREEMENT

19.1 Upon award ECOTP and the successful bidder will conclude a Service Level Agreement regulating the specific terms and conditions applicable to the services being procured by ECOTP, in the format of the draft Service Level Indicators included in this tender pack.

19.2 ECOTP reserves the right to vary the proposed draft Service Level Indicators during the course of negotiations with a bidder by amending or adding thereto.

19.3 The successful Bidder is requested to:

19.3.1 Comment on draft Service Level Indicators and where necessary, make proposals to the indicators;

19.3.2 Explain each comment and/or amendment; and

19.3.3 Use an easily identifiable colour font or “track changes” for all changes and/or amendments to the Service Level Indicators for ease of reference.

19.4 ECOTP reserves the right to accept or reject any or all amendments or additions proposed by a bidder if such amendments or additions are unacceptable to ECOTP or pose a risk to the organisation.



## **20. CONDITIONS OF THIS BID**

ECOTP reserves the right:

- 20.1 To award this tender to a bidder that did not score the highest total number of points, only in accordance with section 2(1)(f) of the PPPFA (Act 5 of 2000);
- 20.2 To negotiate with one or more preferred bidders identified in the evaluation process, regarding any terms and conditions, including price without offering the same opportunity to any other bidder who has not been awarded the status of the preferred bidder;
- 20.3 To carry out site inspections, product evaluations or explanatory meetings in order to verify the nature and quality of the services offered by the bidder, whether before or after adjudication of the Bid; and
- 20.4 To correct any mistakes at any stage of the tender that may have been in the Bid documents or occurred at any stage of the tender process.

## **21. EASTERN CAPE OFFICE OF THE PREMIER REQUIRES BIDDERS TO DECLARE**

In the Bidder's Technical response, bidders are required to declare the following:

- 21.1 Confirm that the bidder is to: –
  - 21.1.1 Act honestly, fairly, and with due skill, care and diligence, in the interests of ECOTP;
  - 21.1.2 Have and employ effectively the resources, procedures and appropriate technological systems for the proper performance of the services;
  - 21.1.3 Act with circumspection and treat ECOTP fairly in a situation of conflicting interests;
  - 21.1.4 Comply with all applicable statutory or common law requirements applicable to the conduct of business;
  - 21.1.5 Make adequate disclosures of relevant material information including disclosures of actual or potential own interests, in relation to dealings with ECOTP;
  - 21.1.6 Avoidance of fraudulent and misleading advertising, canvassing and marketing;
  - 21.1.7 Conduct their business activities with transparency and consistently uphold the interests and needs of ECOTP as a client before any other consideration; and
  - 21.1.8 Ensure that any information acquired by the bidder from ECOTP will not be used or disclosed unless the written consent of the client has been obtained to do so.

## **22. CONFLICT OF INTEREST, CORRUPTION AND FRAUD**

22.1 ECOTP reserves its right to disqualify any bidder who either itself or any of whose members (save for such members who hold a minority interest in the bidder through shares listed on any recognised stock exchange), indirect members (being any person or entity who indirectly holds at least a 15% interest in the bidder other than in the context of shares listed on a recognised stock exchange), directors or members of senior management, whether in respect of ECOTP or any other government organ or entity and whether from the Republic of South Africa or otherwise ("Government Entity")

22.1.1 engages in any collusive tendering, anti-competitive conduct, or any other similar conduct, including but not limited to any collusion with any other bidder in respect of the subject matter of this bid;

22.1.2 seeks any assistance, other than assistance officially provided by a Government Entity, from any employee, advisor or other representative of a Government Entity in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to a Government Entity;

22.1.3 makes or offers any gift, gratuity, anything of value or other inducement, whether lawful or unlawful, to any of ECOTP's officers, directors, employees, advisors or other representatives;

22.1.4 makes or offers any gift, gratuity, anything of any value or other inducement, to any Government Entity's officers, directors, employees, advisors or other representatives in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to a Government Entity;

22.1.5 accepts anything of value or an inducement that would or may provide financial gain, advantage or benefit in relation to procurement or services provided or to be provided to a Government Entity;

22.1.6 pays or agrees to pay to any person any fee, commission, percentage, brokerage fee, gift or any other consideration, that is contingent upon or results from, the award of any tender, contract, right or entitlement which is in any way related to procurement or the rendering of any services to a Government Entity;

22.1.7 has in the past engaged in any matter referred to above; or

Has been found guilty in a court of law on charges of fraud and/or forgery, regardless of whether or not a prison term was imposed and despite such bidder, member or director's name not specifically appearing on the List of Tender Defaulters kept at National Treasury.

## **23. MISREPRESENTATION DURING THE LIFECYCLE OF THE CONTRACT**

23.1 The bidder should note that the terms of its Tender will be incorporated in the proposed contract by reference and that ECOTP relies upon the bidder's Tender as a material representation in making an award to a successful bidder and in concluding an agreement with the bidder.

23.2 It follows therefore that misrepresentations in a Tender may give rise to service termination and a claim by ECOTP against the bidder notwithstanding the conclusion of the Service Level Agreement between ECOTP and the bidder for the provision of the Service in question. In the event of a conflict between the bidder's proposal and the Service Level Agreement concluded between the parties, the Service Level Agreement will prevail.

## **24. PREPARATION COSTS**

The Bidder will bear all its costs in preparing, submitting and presenting any response or Tender to this bid and all other costs incurred by it throughout the bid process. Furthermore, no statement in this bid will be construed as placing ECOTP, its employees or agents under any obligation whatsoever, including in respect of costs, expenses or losses incurred by the bidder in the preparation of their response to this bid.

## **25. INDEMNITY**

If a bidder breaches the conditions of this bid and, as a result of that breach, ECOTP incurs costs or damages (including, without limitation, the cost of any investigations, procedural impairment, repetition of all or part of the bid process and/or enforcement of intellectual property rights or confidentiality obligations), then the bidder indemnifies and holds ECOTP unharmed from any and all such costs which ECOTP may incur and for any damages or losses ECOTP may suffer.

## **26. PRECEDENCE**

This document will prevail over any information provided during any briefing session whether oral or written, unless such written information provided, expressly amends this document by reference.

## **27. LIMITATION OF LIABILITY**

A bidder participates in this bid process entirely at its own risk and cost. ECOTP shall not be liable to compensate a bidder on any grounds whatsoever for any costs incurred or any damages suffered as a result of the Bidder's participation in this Bid process.

## **28. TAX COMPLIANCE**

No tender shall be awarded to a bidder who is not tax compliant. ECOTP reserves the right to withdraw an award made, or cancel a contract concluded with a successful bidder in the event that it is established that such bidder was in fact not tax compliant at the time of the award, or has submitted a fraudulent SARS Tax Pin to ECOTP, or whose verification against the Central Supplier Database (CSD) proves non-compliant. ECOTP further reserves the right to cancel a contract with a successful bidder in the event that such bidder does not remain tax compliant for the full term of the contract.

## **29. TENDER DEFAULTERS AND RESTRICTED SUPPLIERS**

No tender shall be awarded to a bidder whose name (or any of its members, directors, partners or trustees) appear on the Register of Tender Defaulters kept by National Treasury, or who have been placed on National Treasury's List of Restricted Suppliers. ECOTP reserves the right to withdraw an award, or cancel a contract concluded with a Bidder should it be established, at any time, that a bidder has been blacklisted with National Treasury by another government institution. Furthermore, Company Directors will be verified against the Department of Public Service and Administration (DPSA) whether they conduct the business with government in line with Regulation 13(c) of Public Service Regulations 2016.

## **30. GOVERNING LAW**

South African law governs this bid and the bid response process. The bidder agrees to submit to the exclusive jurisdiction of the South African courts in any dispute of any kind that may arise out of or in connection with the subject matter of this bid, the bid itself and all processes associated with the bid.

## **31. RESPONSIBILITY FOR BIDDER'S PERSONNEL**

A bidder is responsible for ensuring that its personnel (including agents, officers, directors, employees, advisors and other representatives), comply with all terms and conditions of this bid. In the event that ECOTP allows a bidder to make use of sub-contractors, such sub-contractors will at all times remain the responsibility of the bidder and ECOTP will not under any circumstances be liable for any losses or damages incurred by or caused by such sub-contractors.

## **32. CONFIDENTIALITY**

Except as may be required by operation of law, by a court or by a regulatory authority having appropriate jurisdiction, no information contained in or relating to this bid or a bidder's

tender(s) will be disclosed by any bidder or other person not officially involved with ECOTP's examination and evaluation of a bid.

No part of the bid may be distributed, reproduced, stored or transmitted, in any form or by any means, electronic, photocopying, recording or otherwise, in whole or in part except for the purpose of preparing a bid. This bid and any other documents supplied by ECOTP remain proprietary to ECOTP and must be promptly returned to ECOTP upon request together with all copies, electronic versions, excerpts or summaries thereof or work derived there from.

Throughout this bid process and thereafter, bidders must secure ECOTP's written approval prior to the release of any information that pertains to (i) the potential work or activities to which this bid relates; or (ii) the process which follows this bid. Failure to adhere to this requirement may result in disqualification from the bid process and civil action.

### **33. EASTERN CAPE OFFICE OF THE PREMIER PROPRIETARY INFORMATION**

Bidders will on their bid cover letter make declaration that they did not have access to any ECOTP proprietary information or any other matter that may have unfairly placed that bidder in a preferential position in relation to any of the other bidder. Bidders must complete (*Annexure B*) for declaration.

### **34. AVAILABILITY OF FUNDS**

Should funds no longer be available to pay for the execution of the responsibilities of this bid, the ECOTP may terminate the Agreement at its own discretion or temporarily suspend all or part of the services by notice to the successful bidder who shall immediately make arrangements to stop the performance of the services and minimize further expenditure: Provided that the successful bidder shall thereupon be entitled to payment in full for the services delivered, up to the date of cancellation or suspension.

**NAME OF BIDDER:**

**DECLARATION**

I ..... (full names) do hereby confirm that I am duly authorised to make this declaration on behalf of ..... (name of bidding entity).

Do hereby declare that ..... (name of bidding entity) and or its director(s) or representatives did not have access to any Eastern Cape Office of the Premier proprietary information or another matter that may have unfairly placed its bid in a preferential position in relation to any other bidder.

Signed on the .....(day).....(month).....(year)  
at .....(place).

\_\_\_\_\_  
Name and surname of duly authorised representative

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

\_\_\_\_\_  
Witness signature

\_\_\_\_\_  
Witness signature

**PART A**

**SBD 1  
INVITATION TO BID**

|   |   |               |   |   |       |
|---|---|---------------|---|---|-------|
| <b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)</b>  |   |               |   |   |       |
| BID NUMBER:   | SCMU1-2023/24-0006  | CLOSING DATE: | 9 APRIL 2024                                    | CLOSING TIME:   | 11h00 |
| DESCRIPTION   | APPOINTMENT OF A SERVICE PROVIDER/S FOR EVENT MANAGEMENT AT OFFICE OF THE PREMIER FOR A PERIOD OF 24 MONTHS |               |   |   |       |
| <b>BID RESPONSE DOCUMENTS MUST BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)</b>   |   |               |   |   |       |
| EASTERN CAPE OFFICE OF THE PREMIER  |   |               |   |   |       |
| INDEPENDENCE AVENUE OLD ECDC BUILDING, GROUND FLOOR (RECEPTION AREA)  |   |               |   |   |       |
| GROUND FLOOR (RECEPTION AREA)   |   |               |   |   |       |
| BHISHO, 5605  |   |               |   |   |       |
| <b>BIDDING PROCEDURE ENQUIRIES MUST BE DIRECTED TO</b>  |   |               | <b>TECHNICAL ENQUIRIES MUST BE DIRECTED TO:</b> |   |       |
| CONTACT PERSON  | MS. LOYISO MANYELA  |               | CONTACT PERSON                                  | Mr. SIPHIWO MAHLAHLA  |       |
| TELEPHONE NUMBER  | N/A   |               | TELEPHONE NUMBER                                | N/A   |       |
| FACSIMILE NUMBER  | N/A   |               | FACSIMILE NUMBER                                | N/A   |       |
| E-MAIL ADDRESS  | <a href="mailto:Loyiso.manyela@ecotp.gov.za">Loyiso.manyela@ecotp.gov.za</a>                                |               | E-MAIL ADDRESS                                  | <a href="mailto:Siphiwo.mahlahla@ecotp.gov.za">Siphiwo.mahlahla@ecotp.gov.za</a>  |       |
| <b>SUPPLIER INFORMATION</b>   |   |               |   |   |       |
| NAME OF BIDDER  |   |               |   |   |       |
| POSTAL ADDRESS  |   |               |   |   |       |
| STREET ADDRESS  |   |               |   |   |       |
| TELEPHONE NUMBER  | CODE  |               | NUMBER  |   |       |
| CELLPHONE NUMBER  |   |               |   |   |       |
| FACSIMILE NUMBER  | CODE  |               | NUMBER  |   |       |
| E-MAIL ADDRESS  |   |               |   |   |       |
| VAT REGISTRATION NUMBER   |   |               |   |   |       |
| SUPPLIER COMPLIANCE STATUS  | TAX COMPLIANCE SYSTEM PIN:  |               | OR  | CENTRAL SUPPLIER DATABASE No:   | MAAA  |
| B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE  | TICK APPLICABLE BOX]<br><input type="checkbox"/> Yes <input type="checkbox"/> No                            |               | B-BBEE STATUS LEVEL SWORN AFFIDAVIT             | [TICK APPLICABLE BOX]<br><input type="checkbox"/> Yes <input type="checkbox"/> No |       |
| <b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b> |   |               |   |   |       |

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

**QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS**

IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?  YES  NO

DOES THE ENTITY HAVE A BRANCH IN THE RSA?  YES  NO

DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?  YES  
 NO

DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?  YES  
 NO

IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?  YES  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**

|  |
|--|
| <b>1. BID SUBMISSION:</b>  |
| <p>1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.</p> <p>1.2. <b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED– (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.</b></p> <p>1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.</p> <p>1.4. <b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</b></p>  |
| <b>2. TAX COMPLIANCE REQUIREMENTS</b>  |
| <p>2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p> <p>2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER’S PROFILE AND TAX STATUS.</p> <p>2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.</p> <p>2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.</p> <p>2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.</p> <p>2.6 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.</p> <p>2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE.”</p> |

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

SIGNATURE OF BIDDER:  
.....

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

DATE: .....

**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 interest<sup>1</sup> 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.

2.2

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

---

<sup>1</sup> 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.

Do you, or any person connected with the bidder, have a relationship 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 consortium<sup>2</sup> 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 institution in relation to this

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

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**

**PRICE QUOTATION PROCESS (UP TO R 1 MILLION)**

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

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

- a) The applicable preference point system for this tender is the 80/20 preference point system.
- b) 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:

|  | POINTS     |
|--|------------|
| <b>PRICE</b>                                     | 80         |
| <b>SPECIFIC GOALS</b>                            | 20         |
| <b>Total points for Price and SPECIFIC GOALS</b> | <b>100</b> |

- 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.
- 1.7 Bidders who wish to claim points in terms of table 4.2 below need to provide proof for each point claimed as guided below:
- Who had no franchise in national elections before the 1983 and 1993 Constitution – **attach certified copy of identity document (ID) and company registration document / CSD report to show/ substantiate percentage ownership equity.**
  - Who is female- **attach certified copy of identity document (ID) and company registration document / CSD report to show/ substantiate percentage ownership equity.**
  - Who has a disability – **attach doctor’s letter confirming the disability**
  - Who is youth - **attach certified copy of identity document (ID) and company registration document / CSD report to show/ substantiate percentage ownership equity.**

## 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 (80/20 system) (To be completed by the organ of state) | Documentation to be submitted by bidders to validate their claim for points                            |
|--|---|--|
| Youth owned entities   | 5   | -ID document.<br><br>-Company registration (CIPC)  |
| Women owned Entities   | 5   | -Company registration (CIPC)<br><br>-ID  |
| Entities owned by people with disabilities   | 5   | Proof of disability such as SASSA registration or confirmation of disability from a relevant authority |
| South African citizen - who, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act 110 of 1983) or the Constitution of the Republic of South Africa, 1993, (Act 200 of 1993) | 3   | -ID Copy<br><br>-CIPC (Company registration)   |



|                              |           |  |
|------------------------------|-----------|--|
| Eastern Cape based Suppliers | 2         | Municipal Bill statement / Lease agreement |
| <b>Total</b>                 | <b>20</b> |  |

**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.

|   |
|---|
| <p>.....<br/><b>SIGNATURE(S) OF TENDERER(S)</b></p> <p><b>SURNAME AND NAME:</b>.....<br/><b>DATE:</b>.....<br/><b>ADDRESS:</b>.....</p> |
|---|

## **GENERAL CONDITIONS OF CONTRACT**

### **A. 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 provider's performance
22. Penalties
23. Termination for defaults
24. Dumping and countervailing duties
25. Force Majeure
26. Termination for insolvency
27. Settlement of disputes
28. Limitation of liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties

## **GENERAL CONDITIONS OF CONTRACT**

### **1. Definitions**

The following terms shall be interpreted as indicated:

- 1.1 **“Closing time”** means the date and hour specified in the bidding documents for the receipt of bids.
- 1.2 **“Contract”** means the written agreement entered into between the purchaser and the provider, 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 provider under the contract for the full and proper performance of his contractual obligations.
- 1.4 **“Corrupt practice”** means the offering, giving, receiving, or soliciting of any thing of the 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 provider 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 provider and not involving the provider’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 provider 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 provider or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as land 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 that 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 provider covered under the contract.
- 1.25 **“Written”** or **“in writing”** means hand-written 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 (excluding professional services related to the building and construction industry), sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise 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 Invitations to bid are usually published in locally distributed news media and in the institution's website.

## **4. Standards**

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

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

- 5.1 The provider 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 provider in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The provider 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 provider's performance under the contract if so required by the purchaser.

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

## **6. Patent rights**

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

6.2 When a provider developed documentation/projects for the department or PROVINCIAL entity, the intellectual, copy and patent rights or ownership or such documents or projects will vest in the department or PROVINCIAL entity.

## **7. Performance security**

7.1 Within thirty (30) days of receipt of the notification of contract award, the success 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 provider's failure to complete his obligations under the contract.

7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the 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 provider not later than thirty (30) days following the date of completion of the provider's performance obligations under the contract, including any warranty obligations, unless otherwise specified.

## **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 purchaser or an organization acting on behalf of the purchaser.

- 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 clause 8.2 & 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 provider.
- 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 analysed 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 provider who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do not comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the providers cost and risk. Should the provider fail to provide the substitute supplies forthwith, the purchaser may, without giving the provider further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the provider.
- 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. Packaging**

- 9.1 The provider shall provide such packaging of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packaging shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packaging, case size and weights shall take into consideration, where appropriate, the remoteness of the good's final destination and the absence of heavy handling facilities at all points in transit.
- 9.2 The packaging, 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, and in any subsequent instructions ordered by the purchaser.



**10. Delivery and documents**

10.1 Delivery of the goods and arrangements for shipping and clearance obligations, shall be made by the provider in accordance with the terms specified in the contract.

**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.

**12. Transportation**

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

**13. Incidental services**

13.1 The provider may be required to provide any or all of the following services, including additional services, if any:

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

**14. Spare parts**

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

- i. Such spare parts as the purchaser may elect to purchase from the provider, provided that this election shall not relieve the provider of any warranty obligations under the contract, and

- ii. in the event of termination of production of the spare parts:
  - a) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
  - b) 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 provider 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 provider 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 provider, 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.
- 15.3 The purchaser shall promptly notify the provider in writing of any claims arising under this warranty.
- 15.4 Upon receipt of such notice, the provider shall, within the period specified and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.
- 15.5 If the provider, having been notified, fails to remedy the defect(s) within the period specified, the purchaser may proceed to take such remedial action as may be necessary, at the provider's risk and expense and without prejudice to any other rights which the purchaser may have against the provider under the contract.

## **16. Payment**

- 16.1 The method and conditions of payment to be made to the provider under this contract shall be specified.
- 16.2 The provider shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilment 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 provider.
- 16.4 payment will be made in Rand unless otherwise stipulated.

## **17. Prices**

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

## **18. Increase/decrease of quantities**

- 18.1 In cases where the estimated value of the envisaged changes in purchase does not exceed 15% of the total value of the original contract, the contractor may be instructed to deliver the revised quantities. The contractor may be approached to reduce the unit price, and such offers may be accepted provided that there is no escalation in price.

## **19. Contract amendments**

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

## **20. Assignment**

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

## **21. Subcontracts**

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

## **22. Delays in the provider's performance**

- 22.1 Delivery of the goods and performance of services shall be made by the provider in accordance with the time schedule prescribed by the purchaser in the contract.
- 22.2 If at any time during performance of the contract, the provider or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the provider 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 provider's notice, the purchaser shall evaluate the situation and may at his discretion extend the provider's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 22.3 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if any emergency arises, the provider's point of supply is not situated at or near the place where the supplies are required, or the provider's services are not readily available.

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

22.5 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 provider'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 provider.

### **23. Penalties**

23.1 Subject to GCC Clause 25, if the provider 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 good 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.

### **24. Termination For Default**

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

- (a) if the provider 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; or
- (b) if the provider fails to perform any other obligation(s) under the contract; or
- (c) if the provider, in the judgement of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

24.2 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 provider shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the provider shall continue performance of the contract to the extent not terminated.

### **25. Anti-Dumping And Counter-Vailing Duties And Rights**

25.1 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 provider to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the provider 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.

## **26. Force Majeure**

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

## **27. Termination For Insolvency**

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

## **28. Settlement Of Disputes**

- 28.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the provider in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 28.2 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 provider may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 28.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 28.4 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 provider any monies due to the provider for goods delivered and / or services rendered according to the prescripts of the contract.

## **29. Limitation Of Liability**

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

- (a) the provider 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 provider to pay penalties and / or damages to the purchaser; and
- (b) the aggregate liability of the provider 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.

## **30. Governing Language**

30.1 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.

## **31. Applicable Law**

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

## **32. Notices**

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

32.2 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.

## **33. Taxes And Duties**

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

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

33.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid SARS must have certified that the tax matters of the preferred bidder are in order.

**34. Transfer Of Contracts**

34.1 The contractor shall not abandon, transfer, assign or sublet a contract or part thereof without the written permission of the purchaser.

**35. Amendment of Contracts**

35.1 No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing, shall also be in writing.