

INVITATION TO BID

BID NO:

RAF/2024/00011

BID DESCRIPTION:

THE ROAD ACCIDENT FUND (RAF) HEREBY INVITES AN EXPERIENCED AND SUITABLY QUALIFIED AUDIT FIRMS INTO ITS PANEL OF AUDITORS TO ASSIST INTERNAL AUDIT DEPARTMENT WITH OUTSOURCED, CO-SOURCED INTERNAL AUDIT SERVICES AND SECONDMENT OF RESOURCES NATIONALLY AS AND WHEN REQUIRED FOR A PERIOD OF FIVE (5) YEARS.

Publication date: 22 March 2024

Non- compulsory briefing session: 09 April 2024 at 11h00 am

Physical address:

Road Accident Fund

420 Witch-hazel Road Eco-Glades 2

Centurion

0046

Closing date: 29 April 2024 @ 11h00 am

Note: Faxed and/or Emailed Proposals/ bids will not be accepted, only hand delivered and couriered Proposals/ bids must be deposited in the tender Box on or before the closing date and time.

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IMPORTANT NOTES:

1. Bid documents are available on the website (www.raf.co.za) at no cost.
2. Submission of Proposals
 - Bid responses must be placed in the tender box clearly marked with a tender number and description; and
 - Bidders are required to submit an original Bid Document/Proposal and a soft copy (PDF) of their original Bid Document/Proposal in a USB (To be enclosed in the envelope which contains the Original Bid Document/Proposal).
 - The proposal must be deposited in the tender box situated at the reception of RAF at the below address:

Road Accident Fund (RAF), Eco Glades 2 Office Park, 420 Witch-hazel Avenue, Centurion, 0046

3. Validity Period

The proposal submitted by the supplier must be valid for a period of 90 days, from the closing date for the submission of proposals.

4. Enquiries

All enquiries regarding this bid must be directed to the Supply Chain Management Office:

Bid Enquiries: Tshiamo Motitswe

E-mail address: tshiamoMo@raf.co.za.

Note: No telephonic enquiries will be entertained.

Closing date and time for Bid questions and enquiries: **12 April 2024**

Publication date for Questions & Answers: **16 April 2024** Questions

and Answers will be published on the RAF website.

Important Notes:

1. All questions/enquiries must be forwarded in writing to the e-mail address above; and
2. Questions/enquiries received after the above-stated date and time will not be entertained.

MANDATORY/ LEGISLATIVE REQUIREMENTS

This stage checks and validates the bidders' compliance to the legal requirements to conduct business in South Africa, as well as to the industry requirement for the supply of goods and services.

Returnable Documents / Information	Check list ✓ Tick each box
SBD 1: Completed, attached and signed	
SBD 3.1 or 3.2 or 3.3 Completed, attached and signed	
SBD 4: Completed, attached and signed	
SBD 5: Completed, attached and signed	
SBD 6.1: Completed, attached and signed	
Proof of Construction Industry Development Board (CIDB) registration, if applicable.	
Specification document: Completed, attached and signed	
General Condition of contract: Initialled and attached	
Provide Tax TCS Pin to verify Tax Status: Attached (In bids where Consortia/Joint Ventures/Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.)	
If the bidder is a joint venture, consortium or other unincorporated grouping of two or more persons/ entities, a copy of the joint venture agreement between the members should be provided.	
Registered on the Central Supplier Database of National Treasury. (For registration information, go to https://secure.csd.gov.za/)	

Note: Some requirements may not be applicable to international suppliers/ bidders and only those suppliers/ bidders will be exempted from these mandatory/ legislative requirements. All SBDs must be submitted (signed) noting where it is not applicable. If any specific SBD is not submitted, documentary proof, clearly stating the reason must be attached.

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)

BID NUMBER:	RAF/2024/00011	CLOSING DATE: 29 April 2024		CLOSING TIME:	11H00
DESCRIPTION	The Road Accident Fund (RAF) hereby invites an experienced and suitably qualified audit firms into its Panel of Auditors to assist Internal Audit department with outsourced, co-sourced internal audit services and secondment of resources nationally as and when required for a period of five (5) years.				

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)

Road Accident Fund (RAF) Eco Glades 2 Office Park 420 Witch-Hazel Avenue Centurion 0046

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO	TECHNICAL ENQUIRIES MAY BE DIRECTED TO:
CONTACT PERSON	Tshiamo Motitswe
TELEPHONE NUMBER	
FACSIMILE NUMBER	N/A
E-MAIL ADDRESS	tshiamoMo@raf.co.za

SUPPLIER INFORMATION

NAME OF BIDDER			
POSTAL ADDRESS			
STREET ADDRESS			
TELEPHONE NUMBER	CODE	NUMBER	
CELLPHONE NUMBER			
FACSIMILE NUMBER	CODE	NUMBER	
E-MAIL ADDRESS			
VAT REGISTRATION NUMBER			
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:	OR	CENTRAL SUPPLIER DATABASE No: MAAA

<p>1 ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>[IF YES ENCLOSE PROOF]</p>	<p>2 ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>[IF YES, ANSWER THE QUESTIONNAIRE BELOW]</p>
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QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO
DOES THE ENTITY HAVE A BRANCH IN THE RSA? NO	<input type="checkbox"/> YES <input type="checkbox"/>
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <input type="checkbox"/> NO	<input type="checkbox"/> YES

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

1. BID SUBMISSION:

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

2. TAX COMPLIANCE REQUIREMENTS

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

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

SIGNATURE OF BIDDER:.....

CAPACITY UNDER WHICH THIS BID IS SIGNED:.....

(Proof of authority must be submitted e.g. company resolution)

SBD 3.3
PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER:	BID NO.:
.....	
CLOSING TIME: 11:00	CLOSING
DATE.....	

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

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

1. The accompanying information must be used for the formulation of proposals.
2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project.
R.....

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

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

-----	R-----	-----

-----	R-----	-----

-----	R-----	-----

-----	R-----	-----

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

-----	R-----	-----
days		
-----	R-----	-----
days		
-----	R-----	-----

days _____ R-----

days _____

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

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

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

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

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

6. Period required for commencement with project after acceptance _____ of _____ bid

7. Estimated _____ man-days _____ for _____ completion _____ of _____ project

8. Are the rates quoted firm for the full period of contract? _____ *YES/NO

9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.

.....

.....

.....

.....

***[DELETE IF NOT APPLICABLE]**

Any enquiries regarding bidding procedures may be directed to the –

(INSERT NAME AND ADDRESS OF DEPARTMENT/ENTITY)

Tel:

Or for technical information –

(INSERT NAME OF CONTACT PERSON)

Tel:

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

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

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

arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.

3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.

3.5 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.

3.6 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

3.7 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

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

THE NATIONAL INDUSTRIAL PARTICIPATION PROGRAMME INTRODUCTION

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

1 PILLARS OF THE PROGRAMME

- 1.1 The NIP obligation is benchmarked against the imported content of the contract. Any contract having an imported content equal to or exceeding US\$10 million or other currency equivalent to US\$10 million will have an NIP obligation. This threshold of US\$10 million can be reached as follows:
- (a) Any single contract with imported content exceeding US\$10 million.
 - or
 - (b) Multiple contracts for the same goods, works or services each with imported content exceeding US\$3 million awarded to one seller over a two-year period which exceeds US\$10 million in total.
 - or
 - (c) A contract with a renewable option clause, where should the option be exercised, the total value of the imported content will exceed US\$10 million.
 - or
 - (d) Multiple suppliers of the same goods, works or services under the same contract, where the value of the imported content of each allocation is equal to or exceeds US\$3 million worth of goods, works or services to the same government institution, which in total over a two-year period exceeds US\$10 million.
- 1.2 The NIP obligation applicable to suppliers in respect of subparagraphs 1.1 (a) to 1.1 (c) above will amount to 30% of the imported content, whilst suppliers in respect of sub-paragraph 1.1 (d) shall incur 30% of the total NIP obligation on a pro-rata basis.
- 1.3 To satisfy the NIP obligation, the dti would negotiate and conclude agreements such as investments, joint ventures, sub-contracting, licensee production, export promotion, sourcing arrangements and research and development (R&D) with partners, or suppliers
- 1.4 A period of seven years has been identified as the time frame within which to discharge the obligation.

2 REQUIREMENTS OF THE DEPARTMENT OF TRADE AND INDUSTRY

- 2.1 In order to ensure effective implementation of the programme, successful bidders (contractors) are required to, immediately after the award of a contract that is in excess of R10 million, submit details of such a contract to the dti for reporting purposes.
- 2.2 The purpose for reporting details of contracts in excess of the amount of R10

million is to cater for multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as provided for in sub-paragraphs 1.1.(b) to 1.1. (d) above.

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

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

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

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

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

4 PROCESS TO SATISFY THE NIP OBLIGATION

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

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

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

Bid number

Closing date:

Name of

bidder.....

Postal address

.....

.....

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

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

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

1. GENERAL CONDITIONS

- 1.1 The following preference point systems are applicable to invitations to tender:
- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
 - the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2 To be completed by the organ of state

(delete whichever is not applicable for this tender).

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

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

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

1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and SPECIFIC GOALS	100

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at

any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

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

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:

$$Ps = 80 \left(1 + \frac{Pt - P_{max}}{P_{max}}\right) \quad \text{or} \quad Ps = 90 \left(1 + \frac{Pt - P_{max}}{P_{max}}\right)$$

Where

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

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)	Number of points claimed (80/20 system) (To be completed by the tenderer)

DECLARATION WITH REGARD TO COMPANY/FIRM

- 4.3. Name of company/firm.....
- 4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

- Y Partnership/Joint Venture / Consortium
- Y One-person business/sole propriety
- Y Close corporation
- Y Public Company
- Y Personal Liability Company
- Y (Pty) Limited
- Y Non-Profit Company
- Y State Owned Company

[TICK APPLICABLE BOX]

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

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

..... SIGNATURE(S) OF TENDERER(S)	
SURNAME AND NAME:
DATE:
ADDRESS:



BID SPECIFICATION: PANEL OF AUDITORS FOR A PERIOD OF FIVE (5) YEARS

1. BACKGROUND TO THE ROAD ACCIDENT FUND

The Road Accident Fund (RAF) is a schedule 3A Public Entity established in terms of the Road Accident Fund Act, 1996 (Act No. 56 of 1996), as amended. Its mandate is the provision of compulsory social insurance cover to all users of South African roads, to rehabilitate and compensate persons injured as a result of the negligent driving of motor vehicles in a timely and caring manner, and to actively promote the safe use of our roads.

The RAF head office is in Centurion, and the organisation has a national footprint. There will, however, be Customer Experience Centres in each province in the country, in the near future.

2. SPECIAL INSTRUCTIONS TO VENDORS

- 2.1** The bidder must be an eligible, registered service provider in terms of the applicable laws of the country and included in the National Treasury Central Supplier Database (CSD).
- 2.2** The bidder must have a business continuity management programme, which must be available for inspection by the RAF during the subsistence of rendering services to the RAF.
- 2.3** Bidders are required to provide full and accurate responses to the mandatory requirements as stated in this document, and, where required, explicitly state if they either "Comply or Do Not Comply" and where applicable, substantiate the responses with the necessary supporting documents.
- 2.4** Bidders are informed that failure to fully comply with the mandatory requirements will nullify their bids for further evaluation.
- 2.5** Bid proposals must be clearly indexed and cross-referenced to a Table of Contents.
- 2.6** The Evaluation Criteria that were published with the Request for Proposal (RFP)/Bids will be used to assess bidders' responses and no amendment will be made after the closing of the bid.
- 2.7** It is expected of bidders to have their tax matters in order when the proposals are submitted. The RAF reserves the right to confirm bidders' tax matters on the CSD prior to the award. Only tax-compliant bidders will be awarded contracts.
- 2.8** Companies or directors that are included on the National Treasury Register of Restricted Suppliers and/or Tender Defaulters will be automatically disqualified from the bidding process.
- 2.9** As prescribed, all Standard Bidding Documents (SBD Forms – Returnable Documents) must be fully completed and duly signed. All Returnable Documents must be submitted with the proposal at the closing of the bid.

3. BACKGROUND TO THE BID

The RAF Internal Audit Department derives its mandate from the Public Finance Management Act, 1999 (Act No. 1 of 1999). The applicable Treasury Regulations require the RAF Internal Audit Department to conform to the Institute of Internal Audit's International Standards for the Professional Practice of Internal Auditing (Standards).

The Internal Audit Department is required to provide independent assurance on the adequacy and effectiveness of controls that management has put in place. The internal audit process seeks to provide reasonable assurance regarding management's assertions that the Fund's key objectives are achieved, operations are effective and efficient, financial and performance information produced is reliable, and activities are performed in compliance with applicable laws and regulations.

Furthermore, the Internal Audit Department is obliged in terms of the standards to ensure that engagements are performed with proficiency and due professional care. In other words, internal auditors must possess the knowledge, skills, and other competencies needed to perform their individual responsibilities.

In light of the above, the RAF Internal Audit Department requires the services of qualified audit firms for a period of five (5) years to complement its function in the execution of audits as well as consulting services that cannot be rendered internally due to lack of capacity, expertise and/or tools.

4. SCOPE OF WORK

4.1 Service Categories

The RAF wishes to appoint qualified audit firms into its Panel of Auditors to assist the Internal Audit Department with outsourced, co-sourced internal audit services and secondment of resources nationally as and when required for a period of five (5) years.

The internal audit services required by the RAF are grouped into two (2) categories. Bidders will be appointed per category and they are required to indicate which categories they are bidding for as indicated in the table below:

<u>Category</u>	<u>Field of appointment</u>	<u>Indicate which category you are bidding for (X)</u>
Category Two (2)	<ul style="list-style-type: none">• Forensic audits	
Category Four (4)	<ul style="list-style-type: none">• Risk Management reviews• Business Continuity Management Services	

- 4.1.1 The detailed Scope of Work per project will be communicated to panel members as and when the internal audit services are required in the form of a Request for Quotation.
- 4.1.2 On completion of the audit, the bidder shall provide the RAF with the following, amongst other deliverables that will be stipulated in each Scope of Work issued:
- A copy of the audit file must include the following:
 - A copy (electronic copy and/or physical copy) of audit work papers.
 - A copy (electronic copy and/or physical copy) of the final signed Audit Report.
 - The RAF reserves the right to request any other related information relevant to the work performed.

4.2 Human Resources

Bidders shall have human resource capacity and capabilities to support the provision of the services per bid category in the form of:

- Engagement/Lead Partner;
- Engagement Senior Manager;
- Manager;
- Senior Auditors; and
- Auditors.

Note 1:

Bidders are required to comply with all services as specified in each category they are bidding for to be eligible for points during evaluation.

Note 2:

A bidder must submit a separate technical proposal for each category that they are bidding for as per the category list above.

5. EVALUATION CRITERIA AND METHODOLOGY

The Evaluation Process entails the following phases:

Phase 1: Initial Screening Process: At this phase, bidders' responses are reviewed to check if they have responded according to the RAF RFP document. (A bidder/bidders who complies/comply with the screening process will be evaluated further on the mandatory requirements).

Phase 2: Mandatory Requirements: Received responses are assessed for full compliance with the submission of the mandatory requirements. This phase includes the vetting of all supporting documents as requested. Only bidders who comply fully with the mandatory requirements will be evaluated further on the Technical requirements.

Phase 3: Technical/Functional Evaluation Process: This is the evaluation of bid responses as per the evaluation criteria specified in the RFP document. **The total number of points for this phase is 100.** Functional/Technical Requirements. (Bidder/s who score the minimum stipulated threshold of **70** out of **100** points for Technical Requirements will proceed to be appointed into the panel.

5.1 Mandatory Requirements (Phase 2)

Bidders must indicate compliance with these requirements by ticking the relevant box indicating if they either "**Comply or Do Not Comply.**"

5.1.1 Mandatory	Comply	Do Not Comply
The bidder agrees that only the published applicable Auditor-General rates will be applied in respect of hourly billing for all respective contracted staff supplied to the RAF. The published applicable Auditor-General rates will be the prevailing rates at the time of the service being rendered.		
5.1.2 Mandatory	Comply	Do Not Comply
<p>The proposed Engagement/Lead Partner must have a minimum of ten (10) years' experience in the category they are bidding for and must hold the required qualifications.</p> <p>The minimum qualification required per category is as detailed below:</p> <ul style="list-style-type: none"> (i) Category Two – Certified Fraud Examiner (CFE) (ii) Category Four – Certification in Risk Management Assurance (CRMA) <p>5.1.2.1 Please provide a resume as per the provided RAF CV Template detailing the required minimum experience and qualifications of the proposed Engagement/Lead Partner in respect of each category the firm is bidding for.</p> <p>5.1.2.2 Please attach a copy of the certification from the relevant Institutions confirming the qualification.</p> <p>5.1.2.3 The RAF reserves the right to verify the validity of the applicable certifications with the relevant institutions.</p>		

5.1.3 Mandatory	Comply	Do Not Comply
<p>The proposed Engagement/Lead Partner must have a valid membership with the following institutes applicable to each category they are bidding for:</p> <ul style="list-style-type: none"> i) Category Two – Association of Certified Fraud Examiners ii) Category Four – Institute of Internal Auditors (IIA) or Institute of Risk Management of South Africa <p>Please provide a copy of the applicable letter/certificate or list from the applicable institutions confirming the validity of membership. The signed letter/certificate/list must be on the respective institutions' letterheads.</p> <p>NB: The RAF reserves the right to verify the validity of the applicable certifications with the relevant Institutions.</p>		
5.1.4 Mandatory	Comply	Do Not Comply
<p>The bidder confirms that they will not perform any work in the category they are bidding for in cases where they have conflict of interest or self-review threats that arise from the bidder having assisted RAF management in implementing controls in the area under review in the last three (3) years.</p> <p>NB: Please provide confirmation in the form of a signed letter on the bidder's letterhead.</p>		

Note: Bidder(s) who do not comply with the mandatory requirements will not be considered for the Technical/Functional Criteria Evaluation.

5.2 Technical/Functional Criteria (Phase 3)

Note: The proposed bidder should provide a project structure showing the resource(s) that will be allocated to perform the work as expected per category.

The structure per category bidding should have the following resources at a minimum:

- Engagement/Lead Partner (x1)
- Engagement Senior Manager (x1)
- Manager (x1)
- Senior Auditor/Senior Specialist (x1)
- Auditors/Specialist (x3)

TECHNICAL/FUNCTIONAL CRITERIA	Points															
<p>5.2.1 ENGAGEMENT SENIOR MANAGER EXPERIENCE AND QUALIFICATION</p> <p>The proposed Engagement Senior Manager must have a minimum of seven (7) years' experience in the category they are bidding for. The Engagement Senior Manager should hold the minimum qualification per category they are bidding for as shown below:</p> <ol style="list-style-type: none"> a. Category Two – Certified Fraud Examiner (CFE) b. Category Four – Certification in Risk Management Assurance (CRMA) <p>The maximum score is 20 points.</p> <table border="1" data-bbox="153 1025 1370 1348"> <thead> <tr> <th data-bbox="153 1025 387 1227">Years of experience and qualification</th> <th data-bbox="394 1025 655 1227">10+ years and hold the minimum relevant qualification for the category</th> <th data-bbox="662 1025 943 1227">8 – 9 years and hold the minimum relevant qualification for the category</th> <th data-bbox="949 1025 1211 1227">Seven (7) years and hold the minimum relevant qualification for the category</th> <th data-bbox="1217 1025 1370 1227">Less than seven (7) years</th> </tr> </thead> <tbody> <tr> <td data-bbox="153 1236 387 1305">Maximum Score</td> <td data-bbox="394 1236 655 1305">20</td> <td data-bbox="662 1236 943 1305">16</td> <td data-bbox="949 1236 1211 1305">14</td> <td data-bbox="1217 1236 1370 1305">0</td> </tr> <tr> <td data-bbox="153 1314 387 1348">Bidder's Score</td> <td data-bbox="394 1314 655 1348"></td> <td data-bbox="662 1314 943 1348"></td> <td data-bbox="949 1314 1211 1348"></td> <td data-bbox="1217 1314 1370 1348"></td> </tr> </tbody> </table> <p>5.2.1.1 Please provide a resume as per the provided RAF CV Template detailing the required minimum experience and qualifications of the proposed Engagement Senior Manager in respect of each category the firm is bidding for.</p> <p>5.2.1.2 Please attach a copy of the certification confirming the qualification from the relevant Institutions.</p>	Years of experience and qualification	10+ years and hold the minimum relevant qualification for the category	8 – 9 years and hold the minimum relevant qualification for the category	Seven (7) years and hold the minimum relevant qualification for the category	Less than seven (7) years	Maximum Score	20	16	14	0	Bidder's Score					<p>20</p>
Years of experience and qualification	10+ years and hold the minimum relevant qualification for the category	8 – 9 years and hold the minimum relevant qualification for the category	Seven (7) years and hold the minimum relevant qualification for the category	Less than seven (7) years												
Maximum Score	20	16	14	0												
Bidder's Score																
<p>5.2.2 ENGAGEMENT MANAGER'S EXPERIENCE AND QUALIFICATION</p> <p>The proposed Manager must have a minimum of five (5) years' experience in the category they are bidding for.</p> <p>The Engagement Manager should hold the minimum qualification per category they are bidding for as shown below:</p> <ol style="list-style-type: none"> a. Category Two – Certified Fraud Examiner (CFE) b. Category Four – Certification in Risk Management Assurance (CRMA) 	<p>20</p>															

The maximum score is 20 points.

Years of experience and qualification	9+ years and holds the minimum relevant qualification for the category	6 – 8 years and holds the minimum relevant qualification for the category	Five (5) years and hold the minimum relevant qualification for the category	Fewer than five (5) years
Maximum Score	20	16	14	0
Bidder's Score				

5.2.2.1 Please provide a resume as per the provided RAF CV Template detailing the required minimum experience and qualifications of the proposed Engagement Manager in respect of each category the firm is bidding for.

5.2.2.2 Please attach a copy of the certification confirming the qualification from the relevant Institution.

5.2.3 SENIOR AUDITOR'S EXPERIENCE AND INTERNAL AUDITOR'S EXPERIENCE, AND QUALIFICATIONS

20

The Proposed Senior Auditor/s and Internal Auditors must hold a minimum of three (3) years' experience and qualifications such as a National Diploma or Bachelor's degree in the respective bidding category.

A minimum of one (1) Senior Auditor and three Auditors must be provided per category bidding for (a minimum of four (4) CVs per category bidding for).

Note: The proposed resources with the minimum years of experience and qualifications, with an additional relevant professional qualification per category will score maximum points.

Additional points on **relevant professional qualifications** per category, refer to the following:

- a. Category Two – Certified Fraud Examiner (CFE)
- b. Category Four – Certification in Risk Management Assurance (CRMA)

The maximum points allocation is twenty (20) as illustrated in the table below:

Required years of experience and qualification per resource Four (4) resources per category at minimum (One (1) Senior and three (3) Auditors/Specialists)	Years of experience + qualification + Two (2) or more resources with a professional qualification per category	Years of experience + qualification + One (1) resource with a professional qualification per category	Three (3) years of experience and a minimum qualification per resource	Fewer than four (4) resources and/or not all proposed team members/ resources have minimum experience and qualifications
Maximum Score	20	16	14	0
Bidder's score				

5.2.3.1 Please provide a structure showing the resources that are proposed resources and their respective positions per bid category.

5.2.3.2 Please provide a resume as per the provided RAF CV Template detailing the required minimum experience and qualifications of the proposed resources (Senior Auditors and Auditors) in respect of each category the firm is bidding for.

5.2.3.3 Please attach copies of the certification confirming the qualifications from the relevant institutions.

5.2.4 BIDDER’S YEARS OF EXPERIENCE IN THE CATEGORY BIDDING FOR

20

The bidder must have a minimum of five (5) years’ experience in each category they are bidding for.

As proof, the bidder must provide reference letters from previous clients where services were rendered in line with the bid category.

The reference letter(s) from the respective clients should be on their company letterheads and should confirm whether the specified services were rendered in line with the bid category. The reference letters must include the following:

- Nature of services provided as per bid category.
- The name of the company where similar services were rendered.
- Duration of the contract from the start to the end date (including the date, month and year).
- The year the work was performed (including the start date to the end date, month and year).
- Contact person.
- Contact details.

The bidder must include the table below in the bid proposal in support of the reference letters:

NB: Failure to provide all the specified information required in the reference letter as mentioned above will lead to points not being awarded.

Name of company	Nature/ Description of service	Contract duration (DD/MM/YY – DD/MM/YY)	Period of service (DD/MM/YY – DD/MM/YY)	Contact person and contact details	Total period of service

Allocation of points:

Year of Experience	Eight (8) years or more of service	Six (6) – Seven (7) years of service	Five (5) years of service	Less than five (5) years of service
Maximum	20	16	14	0

5.2.5 TRACK RECORD (RECENT EXPERIENCE IN BID CATEGORY)**20**

The bidder must provide a minimum of five (5) reference letters per category for which the bidder is bidding for, indicating satisfactory service rendered.

The reference letter(s) from the respective customers should be on their company letterheads and confirm/specify the services that were rendered to the company in line with the bid category.

The reference letter(s) **MUST ALSO INCLUDE:**

- The name of the company at which the services were provided.
- Details of the specific services that were rendered in line with the category the bidder is bidding for.
- Contact person.
- Contact numbers.
- The period in which the service was rendered from the start to the end date (including the date, month, and year).

The bidder must include the table below in the bid proposal in support of the reference letters:

Name of company	Nature/ Description of service	Period of service (DD/MM/YY – DD/MM/YY)	Contact person and contact details

Note 1: The RAF will not accept a list of references and/or references listed on a table other than signed reference letters. The RAF reserves the right to validate all reference letters submitted. The reference letter(s) must be in the form of individual letter(s) from the respective clients.

Note 2: The services should have been rendered within the last five (5) years from the bid issue date.

Customer Satisfaction: Scoring Matrix	
Customer Satisfaction	Score
Less than five (5) references letters indicating satisfactory service	0
Five (5) but less than seven (7) reference letters indicating satisfactory service	14
Seven (7) but less than ten (10) reference letters indicating satisfactory service	16
Ten (10) and more reference letters indicating satisfactory service	20

Total technical / functional score

100

Threshold

70

Bidder/s will be evaluated on the above technical criteria and must score a minimum threshold of **70 out of 100 points**.

6. PRICING SCHEDULE

The price will be the prevailing published Auditor-General rates at the time of the project.

Travel and disbursements will be in line with the latest National Treasury Instruction at the time of service. No travelling expenses may be charged for travel within 30km of the RAF office in a particular province.

THE NATIONAL TREASURY

Republic of South Africa



GOVERNMENT PROCUREMENT: GENERAL

CONDITIONS OF CONTRACT

July 2010

NOTES

The purpose of this document is to:

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

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

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

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General Conditions of Contract

1. Definitions

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

RSA.

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

obligations of the supplier covered under the contract.

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

2. Application

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

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

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

3. General

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

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

4. Standards

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

5. Use of contract documents and information; inspection.

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

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

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

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

6. Patent rights

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

7. Performance security

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

8. Inspections, tests and analyses

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

analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing

9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

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

10.2 Documents to be submitted by the supplier are specified in SCC.

11. Insurance

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

12. Transportation

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

13. Incident al services

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

- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
- (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

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

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

14. Spare parts

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

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

15. Warranty

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

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

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

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

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take

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

16. Payment

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

17. Prices

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

18. Contract amendments

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

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier's performance

- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.

supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

- 21.4 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.
- 21.5 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.
- 21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without canceling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

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

23. Termination for default

- 23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:
 - (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
 - (b) if the Supplier fails to perform any other obligation(s) under the contract; or
 - (c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.
- 23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

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

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

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

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

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

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

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

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

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

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

may be due to him

**25. Force
Majeure**

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

25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

**26. Termination
for
insolvency**

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

**27. Settlement
of Disputes**

27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

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

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

27.5 Notwithstanding any reference to mediation and/or court proceedings herein,

- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
- (b) the purchaser shall pay the supplier any monies due the supplier.

**28. Limitation
of liability**

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

- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

- (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
- 29. Governin
g language** 29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
- 30. Applicabl
e law** 30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
- 31. Notices** 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
- 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
- 32. Taxes
and duties** 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
- 33. Nation
al Industrial
Participation (NIP)
Programme** 33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.
- 34 Prohibition
of Restrictive
practices** 34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).
- 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible

imposition
of
administrative
penalties
as
contemplated
in the
Competition
Act
No. 89 of
1998.

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