

LEPELLE NORTHERN WATER



TENDER NO: LNW 19/23/24

PROJECT NAME: PROVISION OF BANKING SERVICES FOR THE PERIOD OF FIVE (5) YEARS

CLOSING DATE: 27TH MAY 2024 @ 11:00am

ISSUED BY:

LEPELLE NORTHERN WATER

Physical address: 01 Landros Mare Street
Polokwane
0700

Postal address: Private Bag X9522
Polokwane
0700

Tel: 015 295 1800

Fax: 015 295 1931

E-mail: information@lepelle.co.za

NAME OF TENDERER: _____

TOTAL AMOUNT: _____ **N/A** _____ **(incl. VAT)**

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE LEPELLE NORTHERN WATER					
BID NUMBER:	LNW 19/23/24	CLOSING DATE: 27 MAY 2024	CLOSING TIME:	11H00 am	
DESCRIPTION	PROVISION OF BANKING SERVICES FOR THE PERIOD OF FIVE (5) YEARS				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT 01 LANDROS MARE SREET					
LEPELLE NORTHERN WATER HEAD OFFICE					
01 LANDROS MARE SREET					
POLOKWANE					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	ABIGAIL SEBAKA		CONTACT PERSON	SIDNEY SITHOLE	
TELEPHONE NUMBER	015 295 1809		TELEPHONE NUMBER	078 741 0261	
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	abigails@lepelle.co.za		E-MAIL ADDRESS	sidneys@lepelle.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
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.					

**PART B
TERMS AND CONDITIONS FOR BIDDING**

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

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

SIGNATURE OF BIDDER:

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

DATE:

TAX CLEARANCE CERTIFICATE REQUIREMENTS

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

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



Application for a Tax Clearance Certificate

Purpose

Select the applicable optionTenders Good standing

If "Good standing", please state the purpose of this application

Two empty text input boxes for stating the purpose of the application.

Particulars of applicant

Name/Legal name (Initials & Surname or registered name)										
Trading name (if applicable)										
ID/Passport no					Company/Close Corp. registered no					
Income Tax ref no					PAYE ref no	7				
VAT registration no	4				SDL ref no	L				
Customs code					UIF ref no	U				
Telephone no	CODE	NUMBER			Fax no	CODE	NUMBER			
E-mail address										
Physical address										
Postal address										

Particulars of representative (Public Officer/Trustee/Partner)

Surname										
First names										
ID/Passport no					Income Tax ref no					
Telephone no	CODE	NUMBER			Fax no	CODE	NUMBER			
E-mail address										
Physical address										

Particulars of tender (If applicable)

Tender number

Estimated Tender amount R ,

Expected duration of the tender year(s)

Particulars of the 3 largest contracts previously awarded

Date started	Date finalised	Principal	Contact person	Telephone number	Amount
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Audit

Are you currently aware of any Audit investigation against you/the company? YES NO

If "YES" provide details

Appointment of representative/agent (Power of Attorney)

I the undersigned confirm that I require a Tax Clearance Certificate in respect of Tenders or Goodstanding.

I hereby authorise and instruct to apply to and receive from SARS the applicable Tax Clearance Certificate on my/our behalf.

Signature of representative/agent

CCYY - MM - DD

Date

Name of representative/agent

agent

Declaration

I declare that the information furnished in this application as well as any supporting documents is true and correct in every respect.

Signature of applicant/Public Officer

CCYY - MM - DD

Date

Name of applicant/Public Officer

Notes:

- It is a serious offence to make a false declaration.
- Section 75 of the Income Tax Act, 1962, states: Any person who
 - fails or neglects to furnish, file or submit any return or document as and when required by or under this Act; or
 - without just cause shown by him, refuses or neglects to-
 - furnish, produce or make available any information, documents or things;
 - reply to or answer truly and fully, any questions put to him ...
 As and when required in terms of this Act ... shall be guilty of an offence ...
- SARS will, under no circumstances, issue a Tax Clearance Certificate unless this form is completed in full.**
- Your Tax Clearance Certificate will only be issued on presentation of your South African Identity Document or Passport (Foreigners only) as applicable.



PROJECT NAME: PROVISION OF BANKING SERVICES

PROJECT NO: LNW 19/23/24

USER DEPARTMENT: FINANCE DEPARTMENT

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1. PURPOSE

The purpose of this report is to recommend the approval of the specifications of the appointment an experienced services provider for a banking service to Lepelle Northern Water for the period of five years.

2. BACKGROUND

Appointment of a banking service provider is regulated by national treasury whereby the banking-cash and investment framework prescribe that entities listed under schedule 3B must appoint a banking service provider for the period not exceeding five years. The current contract with the banking provider expires on the 30th of June 2024.

3. SPECIFICATION

Bids are hereby invited from the Financial Services Providers registered in terms of the Banks Act No 94 of 1990 to provide commercial banking services to Lepelle Northern water. The service of a Banker is required by the entity for the day-to-day local banking and AD-HOC international banking services. The primary responsibility of the banker will be the administration of the entity current account, accept deposit from stakeholder, payment of service providers, credit card, travel lodge card, petty cash card and investment services.

4. SCOPE OF WORK

4.1 The requirements of Lepelle Northern Water are for successful bidder to provide the following:

4.1.1 An efficient and cost-effective current account administration service.

4.1.2 Enhanced business processes for improved efficiencies resulting in related costs.

4.1.3 Processes and controls to mitigate operational risk and fraud.

4.1.4 A complete centralized banking service consisting ultimately of 1 main trans-active bank

account, project account and call account, which can be transacted on and earn interest rate on positive balance.

4.1.5 The seamless phased-in implementation of the conversion interface with the successful Bidder;

4.1.6 The ability to handle large volume transactions;

4.1.7 The ability to submit information in a format which meets with the financial systems vendor of the Lepelle Northern Water for bank reconciliation purposes and receipting of deposits;

4.1.8 On-Line stop payment facility;

4.1.9 On-Line account enquiries;

4.1.10 The ability to identify direct deposits and other transactions/transfers on-line;

4.1.11 The ability to download bank statements in an acceptable and compatible format;

4.1.12 Bank statements and all supporting documentation to be delivered on a daily basis;

4.1.13 The ability to pay salaries directly into the employees bank accounts PC/IT based interface;

4.1.14 Payment of third party accounts via electronic media (debit orders, electronic payments, etc.);

4.1.15 Receiving of payments via electronic media with a CDI check (payments of clients directly into Lepelle Northern Water's bank account via electronic media);

4.1.16 Full audit trail and updated security system;

4.1.17 A facility whereby clients can make payments on their account directly to the bank on submission of their account;

4.1.18 A facility whereby clients can make payments on their accounts directly to the Lepelle Northern Water by way of debit orders;

4.1.19 Favorable interest rate on credit balances in the current account;

4.1.20 On request, providing duplicate deposit slips for direct deposits by clientele into the bank

account of the Lepelle Northern Water; and

4.1.21 Cash paid at Lepelle Northern Water will be deposited by the appointed cash in transit service provider.

4.1.22 A dedicated support team to maintain and service all banking queries. The bank must assign banking officers / relationship manager who are available to handle all aspects of the entity's accounts, including correspondence, arrangements and queries.

4.2 The bidders must provide solutions that should be discussed under the following headings in the tender document submitted by the bidders:

4.2.1 Transactional Banking Services

4.2.1.1 Requirements

Accounts:

- Main Current account
- Call account
- Project account
- Credit card
- Travel Lodge Card
- Investment account
- Petty cash account

4.2.1.2 Introduction

The successful Bidder should provide unique client service addressing the requirements of Lepelle Northern Water.

The Bidder should provide a commitment to offer customised and sustainable banking services in relation to Lepelle Northern Water's needs through dedicated service managers.

4.1.2.3 Current Account services

- Deposit identifier (general validation);
- Set-off of credit / debit balances ;
- Overdraft facility of R 30 million on the main current account, without any pre-qualifying conditions set for the facility;
- Access to account balances and able to transact 24 hours a day;
- The two accounts to be treated as separate accounts in terms of the balances and interest earned;
- The balances of the main account exceeding the amount to be determined by the entity to be transferred to the account daily and should be done automatically;
- No bank charges to be debited to the call accounts for main account transactions;
- For verification purposes schedules must be provided of how bank charges were calculated on the all the bank accounts;
- Payment /Receipt Services;
- The processing of electronic payments; and
- The processing of electronic receiving

4.1.2.4 Beneficiary bank account verification service

- The Bidder is to provide confirmation (affirmative or negative only) of details (Account name, branch code, and account number) supplied by Lepelle Northern Water. This service will provide the necessary validation of beneficiary banking details prior to input into Lepelle Northern Water's beneficiary address book.
- The Bidder should have the ability to transmit confirmation requests to Lepelle Northern Water by Electronic means, e-mail, telephone and fax.

4.1.2.5 Statements

- The Bidder should have the ability to provide statements on all accounts on a daily basis electronically via e-mail to designated officials.

4.1.2.6 Charges and fees

- The statements should specifically reflect charges in respect of cheque service fee and cash deposit fees alongside each transaction. Other bank charges and fees can appear on separate line items on the statements.

4.1.2.6 Cash management facilities

- The bank should provide a list of all available cash management facilities including the interest rate and terms.

4.2.2 Electronic Banking Services

4.2.2.1 Introduction

Lepelle Northern Water expects the successful Bidder to understand and identify its needs and to provide innovative solutions.

The requirement is the ability to use real-time systems that provides cash management, payment, and receipts solutions. These solutions must have built in efficiencies where there is a clear reduction in costs about Lepelle Northern Water's administration and accounting functions, improved controls with the results being in a reduction in operational risk and fraud.

The Bidder should be able to:

- Facilitate the secure and timeous movement of funds;
- Meet Lepelle Northern Water's requirements in respect of EFT's for all salaries, creditors and other payments;

The following are imperatives for management of payments:

- Timely and secure processing of all transactions;
- Ability to interface (where required) with payroll and line-of-business applications currently being used; SAP System
- Host connection via a dedicated line;
- Stringent authorization and security controls;
- Efficient management and reduction of risk processes;
- Enhanced data integrity due to stringent validation controls; and
- Cost efficient processes.

4.2.2.2 Transaction and Balances

- To provide on-line real-time account balance and transaction enquiries;
- To provide real-time transaction search capabilities and
- To provide transaction history (list of transactions) storage retrieval for up to 12 months.

4.2.2.3 Electronic Funds Transfer (EFT)

- Payments to beneficiaries to be effected in real-time;
- Payments to beneficiaries at other banks to be effected on a same day value basis and
- Payment templates to be held on the system for regular payments;

4.2.3 Implementation and Training

Dedicated team and Project Manager for:

- All-inclusive seamless installation of all solutions.
- Transactional Banking Solutions.
- Electronic Banking Solutions and
- E-Procurement Solutions

Contractual agreement in the line of a Service Level Agreement between Lepelle Northern Water and the Bank, which agreement is to be compiled by Lepelle Northern Water.

Sufficient time frames for implementation of the different solutions.

A dedicated specialist Electronic Banking Manager should attend to the following:

- Ensure correct set up and optimization of the SAGE VIP/ 300 People, SAP and other internal software structure;
- Any additional computer hardware or software that LNW must acquire in order for the proposed banking systems to interface with the financial system vendor of LNW and/or to operate at the required level of efficiency and effectiveness;
- Identify Cash Management, Payments Management and Internet Banking;
- Liaise with appropriate officials regarding interfaces into Lepelle Northern Water line of business application and MS Excel applications;
- Identify, in consultation with Lepelle Northern Water, all access levels, authorities, profiles and limits for officials requiring access to the electronic banking systems;
- Attend to the legal documentation and the signing thereof;
- Formalize service level agreements incorporating back up procedures and processes particularly with regards to electronic funds transfers;
- Identify training requirements and arrange the necessary training in consultation with Lepelle Northern Water and
- Provide all user manuals.

5. OUTPUT

- Day to day professional banking services and safeguarding of LNW fund against theft and fraud

7. PRICING SCHEDULE

7.1 Bidders are required to comply with the prescribed pricing schedule As per the table below
No pricing schedule other than the pricing schedule as per the table below will be accepted
and these pricing schedule will not be evaluated and seen as non-responsive. Every line
item even if the charge is zero, must be completed.

7.2 ESCALATION

7.2.1 No escalation will be allowed within 12 months of contract

7.2.2 Escalation will only be allowed once per year for the last four years of the contract.

Escalation is however not compulsory and if no escalation will take place it must be stated
as such in the space provided below. For bid evaluation purposes the stated quantities as
per pricing schedule will remain unchanged therefore the total cost for year 1 will be used
to apply the escalation percentage for the outer 4 years.

FIXED ANNUAL ESCALATION PERCENTAGE, IF ANY PER ANNUM:

Year 2.....Year 3.....Year 4.....Year 5.....

IF DATE OF ANNUAL ESCALATION IS DIFFERENT FROM THE 1ST OF JULY OF EACH YEAR,
STATE THE DATE OF ANNUAL ESCALATION:

.....

7.2.3 The bid will be evaluated for pricing purposes over the full term of the contract term, in other

Words for the full term of 5 years.

7.2.4 All tariffs quoted as per pricing schedule will be adjusted with the escalation percentage as
Quoted in 5.1.2 for the 4 outer years from the date as indicated.

	Description	Tariff per transactions (Excluding VAT)	Estimated number of transactions per annum	Estimated Cost per annum Year 1	Estimated Cost per annum Year 2	Estimated Cost per annum Year 3	Estimated Cost per annum Year 4	Estimated Cost per annum Year 5
1	Fees for deposits and related transactions							
1.1	Cash Deposits		1542					
1.1.1	Cash centre (Tariff per R100.00)		0					
1.1.2	Branch deposits (Tariff per R100.00)		60					
1.2	Electronic payments by third parties into the bank account:							

1.2.1	Easy pay (per transaction)		60					
1.2.2	Electronic bank transfers received (ACB)		384					
1.2.3	Electronic bank transfers received (Direct deposits)		336					
1.4.1	Unpaid items:		15					
1.4.2	ACB's (per transaction)		552					
1.4.3	Refer to drawer cheques (per transaction)		12					
1.5	Deposit identifier transaction fees:		35					
1.5.1	Monthly fee (Tariff per month)		108					
1.5.2	Over the counter at same bank		0					

	(Customer identification number) Tariff per transaction							
1.5.3	Electronic deposit transfer identifier all banks - Tariff per transaction		72					
1.5.4	Duplicate deposit slips of payments made directly into the bank account of Lepelle Northern Water		24					
1.6	Duplicate deposit books, printing and encoding (per book)		2					
2	Fees for withdrawals and							

	related transactions							
2.1	Cheque payments made (Tariff per cheque issued)		0					
2.2	Electronic bank transfers (Creditors payment runs)		432					
2.3	Debit orders		300					
2.4	Electronic bank transfers (Salary payment runs)		96					
2.5	Internet bank transfers for investing LNW funds		48					
2.6	Petty cash withdrawals		156					

2.7	Real time gross settlement - Urgent payments (Tariff per instruction)		60					
2.8	Real time gross settlement - Mandatory (Tariff per instruction)		60					
2.9	Stop payment of electronic advices		5					
3	Merchant services							
3.1	Once off installation fee		1					
3.2	Mobile terminal rental per month: (Per machine)		1					
3.3	Travel Lodge cards		5					

3.4	Debit cards		21					
4	Bank statements							
4.1	Hard copy (Pages)		0					
4.2	Electronic bank statements (Fixed monthly fee)		12					
4.3	Provision of data in format compatible to the financial system vendor of Lepelle Northern Water		12					
5	Interest on current bank balance							
5.1	Interest on Credit balances: Daily balance per day - 365 days Interest		365 days					

	rate quoted must be linked to prime. For evaluation purposes prime is set at 10.25% Cost per annum amount should be deducted from cost. No VAT							
5.2	Interest on Debit balances: Daily balance per day - 30 days Interest rate quoted must be linked to prime. For evaluation purposes prime is set at 10.25% No VAT		30 days					
5.3	Overdraft facility:							

5.3.1	Charged fix rate annually		365					
5.3.2	Charged fix rate monthly		365					
5.3.3	Charged unutilized facility fee (UFF) per bps per year		365					
5.4	Overnight overdraft facility (indicate whether charged monthly/annually)		12					
6	Ad Hoc transactions							
6.1	Monthly management fee, if applicable		N/A					
6.2	Minimum monthly service fee, if applicable		N/A					

6.3	Electronic Sweeping facilities, if applicable (Automatically transfer balances Per transaction)		300					
6.4	Third party account verification services (per enquiry)		1020					
6.5	Setup of new user of electronic banking services		10					
6.6	Reset of the login key of electronic banking operators		10					
6.7	Reset of password of electronic		10					

	banking operators							
6.8	Auditors reports - certificate of interest		1					
							Total cost	
							VAT	
							Total cost incl. of VAT	

8. PROCESS PLAN

- No need to create purchase requisition and an order after appointment all banking fees and charges will be the bank credit into LNW account.

9. PROCUREMENT PROCESS

The normal LNW process will be followed in line with the company's SCM policy and -procedures with no deviations from the normal anticipated at this stage.

Validity of Tender : 150 Days
 Contract Period : 5 Years
 Date advert published : 26 March 2024
 Tender document available : 26 March 2024

Closing date of Advert : 27 May 2024
Briefing Session date : 09 April 2024

10. EVALUATION CRITERIA

Preferential Points System will be used to evaluate this bid in line with the Preferential Procurement Policy Framework Act, 2022. Bidders will be evaluated on mandatory first, then functionality and only those qualifying by achieving the minimum cut off point of 70 will be evaluated further on administrative compliance and then price and preference points allocation as the final stage.

THIS BID WILL BE EVALUATED AND ADJUDICATED ACCORDING TO THE FOLLOWING CRITERIA:

1. Relevant specifications
2. Value for money
3. Capability to execute the contract
4. LNW SCM Policy
5. PPPFA & associated regulations

10.1 Mandatory requirements (Pre-qualification)

The following is a list of the information to be provided by the bidder. A proposal that does not include the information required below will be deemed non-responsive and subject to disqualification. In setting forth its qualification, each firm shall provide, concise but adequate detail, the information sought below:

- The institution must be registered as a commercial bank in terms of the Banks Act of South Africa no 94 of 1990 (Please attach registration certificate)
- The Bidder should demonstrate successful implementation of banking services to a client using SAP system ECC or S4HANA (Attach a reference letter on a client letterhead confirming a successful implementation)
- Proof of registration on the Central Suppliers Database (CSD). Will be verified online.
- All bid documents especially the pricing schedule must be completed in Full and in Black Ink, where applicable to render the

bid responsive. (No tempering of the bid documents with either the correction fluid, sticky paper, or any other thing that can indicate that the bid documents have been tampered with) . if any section of the bid documents especially the pricing schedule is left incomplete the bid document will be disqualified.

NB: Failure to comply with any of the above requirements will lead to disqualification of the tenderer.

BID EVALUATION METHOD

Bids will further be evaluated in terms of Method 4:

- i. Stage 1: Evaluation on Functionality (Minimum of 70 points to be scored to be considered responsive will be done in 2 phases.
 - The 1st cut-off on company and personnel will be 15 points out of 20 points.
 - The 2nd cut-off on technical deliverables will be 55 points out of 80 points
- ii. Stage 2: Evaluation on Price and Preference Points Allocation (As per the Preferential Procurement Regulations 2022) 80/20 or 90/10.

11. STAGE 1 EVALUATION ON FUNCTIONALITY

Under functionality, Bidders must achieve a minimum of 70 points of functionality to be considered for further evaluation in stage 2.

PHASE 1:- COMPANY AND KEY PERSONNEL – 20 Points

EVALUATION PROCESS	Points
All bids duly lodged will be evaluated on functionality as Pre-qualifying criteria. The evaluation criteria and weighting for measuring functionality are indicated.	20
Experience	15
*Company Experience (15)	

<p>-Experience in provision of Commercial Banking services to organ of state for the minimum of 3 (three) years</p> <p>(Bidders to attach signed reference letters on a client letterhead for completed and ongoing projects).</p> <ul style="list-style-type: none"> • 1 (One) Project – 5 (Five) points • 2 (Two) Projects – 10 (Ten) points • 3 (Three) Projects -15 (Fifteen) points <p>5 (Five) points per project to a maximum of 15 (fifteen) points.</p>	
<p>Key Personnel</p>	<p>5</p>
<p>*Proposed key personnel (5)</p> <ul style="list-style-type: none"> • Detailed CV with qualifications (Minimum of Bachelor’s Degree in Banking or Finance or Business Administration) of key personnel (Account Manager) relevant to the project indicating experience • 2 (Two) to 3 (Three) years (4 points) • Above 3 (Three) years (5 points) <p>NB The CV of the proposed key personnel should be fully populated on our pre-determined format under stage 4 administrative compliance</p>	
<p>Total Points</p>	<p>20</p>

NB: Only Service Providers with 15 points cut-off on phase 1 will qualify for evaluation on phase 2 (technical deliverables)

PHASE 2 : TECHNICAL DELIVERABLES (SYSTEMS) (80 points)

EVALUATION PROCESS				
All bids duly lodged will be evaluated on functionality as Pre-qualifying criteria. The evaluation criteria and weighting for measuring functionality are indicated.				
	Criteria	Maximum Points	Indicate with Yes or No	For proof of compliance provide bid document reference page number/ Annexures
		80		
1. TRANSACTIONAL BANKING		34		
	PRIMARY BANK ACCOUNT:			
1.1	Must accept all LNw deposits	2		

1.2	Validation of identifier	1		
1.3	Any adjustment must show original Identifier	1		
1.4	All payment entries to show a unique reference number	2		
	BANK RECONCILIATIONS:			
1.5	Bank statements are to be downloaded daily in the file layout format as prescribed by the SAP and VIP System	3		
1.6	All bank statement transactions must be referenced to facilitate seamless integration with the bank reconciliation process of the SAP System	3		
1.7	All bank charges must be electronically available with detailed calculations easily verifiable against tariffs as per the pricing schedule	1		
1.8	All travel lodge card payments must reflect on the same date as the transaction on the bank statement	1		
1.9	All "once - off " transactions electronic payments of creditors must be reflected individually on the bank statement	1		
	HOST-TO-HOST SOLUTION:			
1.10	Secure host-to-host solution that can handle LNW's transactional volumes	1		

1.11	Transfer electronic transactions from the financial system vendor of LNW to the bank's system without downloading the transaction to a user's PC	2		
1.12	Accept files in the standard ACB /BankServ format / a format that can easily be created in the financial system vendor environment of LNW	1		
1.13	Handle payment transactions of more than R5 000 000.00 mixed with other smaller payment transactions in the same file	1		
1.14	Handle more than one payment file per day (no overwriting of previously sent file)	1		
1.15	Handle payments to all banks in one file	1		
1.16	Security based on different user codes for the different business user groups	1		
1.17	Transaction access permission limits per user code	1		
1.18	File security via control totals and hash totals	1		
1.19	File / directory naming convention whereby the files / directory can easily be identified without looking at the contents of the file	1		
1.20	Use of a system of transmission and sequence numbers that prevent the accidental duplication of a transmission file (if the file was sent twice)	1		
1.21	File in a format that can easily be created in the financial system vendor environment of LNW	1		

	DESKTOP / DIRECT SOLUTION:			
1.22	Desktop based online solution (utilizing modems or the internet needs as a communication medium) for ad hoc payments of small manual captured transaction volumes	1		
1.23	Built in two stage sign on and approving security mechanism	1		
1.24	Desktop / Direct solution can be used as the backup solution to the host-to-host solution	1		
	HOST-TO-HOST SOLUTION AND DESKTOP / DIRECT SOLUTION:			
1.25	Online bank inquiry solution	1		
1.26	Handle payments to banking institutions where a universal branch code is utilized	1		
1.27	Provide a testing environment / facility available before go live as well as after go live	1		
2. OPERATIONAL EFFICIENCY & USER FRIENDLINESS		31		
2.1	Unpaid items must be debited individually on the bank statements and be the same unique identifier reference as the original deposit	2		
2.2	The sending of the statement file must take place as soon as possible	1		
2.3	Interest and bank charge details daily	2		
2.4	Sweeping facilities and options	2		

2.5	All Bank charges and interest must be charged separately for Cheque and Call account	2		
2.6	Cash management scheme netting of balances	2		
2.7	Electronic invoices supported by detailed workings of the calculation of the bank charge must be electronically available	1		
2.8	Message indicating if the transaction was accepted needs to be returned immediately	3		
2.9	Report on all successful transfers	1		
2.10	Report on all unsuccessful transaction together with identifiers indicating vendor name, value and reason	2		
2.11	Prompt the users regularly to change their password to the solution	2		
2.12	Where payments are sent in advance it must be possible to cancel specific transactions in a batch	2		
2.13	A message / messages indicating rejected / unpaid transactions needs to be returned immediately	1		
2.14	Reference fields returned on all transactions that are rejected	1		

2.15	Branch code verifications as well as a CDV checks occur immediately after any transactions are sent	2		
2.16	Normal internet e-mail not used as mode of transmission between LNW and the bank	1		
2.17	Able to accept transactions between the hours of at least 06:00 and 20:00 on work days, including Saturdays (as long as LNW keeps within the BankServ cut-off times for the specific service)	1		
2.18	LNW notified of any redirected transactions	1		
2.19	Bank charges and interest must be separately and uniquely coded by the bank. Any subsequent adjustments to these entries must bear the same reference number on the bank statements as the original entry	2		
3. CORPORATE STRUCTURE & STRENGTH OF BIDDER		15		
	Most recent published credit rating report by certified credit rating agency. Proof MUST be attached to the tender document in order to score BBB+/ Baa3 = 15 points BBB - = 12 points BB - = 10 points Below BB - = 0 points	15		
	Grand Total	80		

13. STAGE 2 EVALUATION ON PRICE AND PREFERENCE POINTS ALLOCATION

Stage 2: Evaluation on Price and Preference Points Allocation (As per the Preferential Procurement regulations 2022) 80/20 or 90/10 1.

Financial offer and Preference Points Allocation

2. Score tender evaluation points for financial offer.
3. Confirm that tenderers are eligible for the Preference Points Allocation (As per the
4. Preferential Procurement regulations 2022) claimed, and if so, score tender evaluation points.
5. Calculate total quotation evaluation points.
6. Rank quotations offers from the highest number of tender evaluation points to the lowest.
7. Recommend the quotation with the highest number of quotation evaluation points for the award of the contract, unless there are compelling and justifiable reasons not to do so.
8. LNW reserves the right to request the highest top 2 ranked bankers for a presentation / demonstration on their proposal including their banking system on its own discretion (optional). This will not attract any allocation of points but will serve as a confirmation on what the banker has already proposed. Any misrepresentation of information can result into disqualification. LNW will set up a panel constituting of nominated BEC members, nominated BAC members, SCM official, IT Officials and Finance Department official.

NB: NO TENDERS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE (see definition on SBD 4 attached)

Score the financial offers of remaining responsive tender offers using the following formula:

$N_{FO} = W_1 \times A$ where:

N_{FO} = the number of tender evaluation points awarded for the financial offer.

W_1 = the maximum possible number of tender evaluation points awarded for the financial offer as stated in the Tender Data.

A = a number calculated using either formulas 1 or 2 below as stated.

Formula	Basis for comparison	Option 1	Option 2
1	Highest price or discount	$(1 + \frac{(P - P_m)}{P_m})$	P/P_m

2	Lowest price or percentage commission/fee	$(1 - \frac{(P - P_m)}{P_m})$	P_m/P
---	---	-------------------------------	---------

where:

P_m = the comparative offer of the most favorable tender offer.

P = the comparative offer of tender offer under consideration.

14. STAGE 3 PREFERENCE POINTS ALLOCATION

The 80/20 or 90/10 Preferential Point System will be used to evaluate the bid.

Table 2: Preference Points Allocation (As per the Preferential Procurement regulations 2022)

#	Specific Goals	Means of verification	80/20	90/10
1	Disability (Minimum of 1 shareholder ownership in the company)	CSD Report	5	2.5
2	Black women (100% Black women ownership in the company)	CSD Report	5	2.5
3	Black ownership (100% black ownership in the company)	CSD Report	5	2.5
4	Black Youth (Minimum of 1 shareholder Black youth ownership in the company)	CSD Report	5	2.5
	Total Points		20	10

The points scored by the tenderer in respect of the level of Preference Points Allocation must be added to the points scored for price.

15. STAGE 4 ADMINISTRATIVE COMPLIANCE

Only to be requested from the preferred bidder within 48 hours.

- i) Complete SBD 1, 3.1, 4, and 6.1 forms.

- ii) Company registration documents iv) Certified valid ID copies of the company shareholders of not less than 3 months.

SUMMARY RESUME FORMAT:

Full Name(s)	
Surname	
ID Number	

Employment history (Summary)	Tertiary qualifications (Highest order)			
1. . 2. . 3. . 4. . 5. .	1.			
	2. ..			
	3. ..			
	4. ...			
	Professional affiliation (most relevant)			
	Category	Organisation	Reg. No.	Date
Relevant projects recently completed				

No.	Description: NAME OF PROJECT	Type of services:	Name of client	Start and end dates	Position on the project
1.					
2.					
3.					

Certification:

I, the undersigned, certify that this data correctly describes me, my qualification, and my experience.

.....

Signature of the person named in the schedule

.....

Date

16. CONTRACT CONDITION

- The successful bidder shall sign a services-level agreement with Lepelle Northern Water which will be subjected to a quarterly performance review.
- The appointed banker after the contract expiry will be expected to keep the account open for the period that will be specified by Lepelle Northern Water as part of the roll out plan and handover to the new Banker.
- The appointed banker might be requested to inform our clients of the new banking details and also to manage any debit orders.

NOTE:

- a) All the above administrative compliance documents will be requested from the preferred bidder if not submitted with the tender document and failure to submit within 48hrs will lead to disqualification.***
- b) The bidders must comply with all terms and condition including requirements as stipulated in the Tender Documents to be evaluated further.***
- c) LNW is not compelled to accept the lowest or any bid.***
- d) LNW reserves the right to reduce the scope of works due to budget constraint or reduction of scope by client.***
- e) Bidders will be subjected to reference letter verification and arithmetic check.***
- f) The appointed banker will not be subjected to SSA vetting.***

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

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

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

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

2.2.1 If so, furnish particulars:

.....
.....

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

2.3.1 If so, furnish particulars:

.....
.....

3 DECLARATION

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

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

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

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

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

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

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

.....
Signature Date

.....
Position Name of bidder

**PRICING SCHEDULE – FIRM PRICES
(PURCHASES)**

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

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

Name of bidder.....	Bid number.....LNW 19/23/24.....
Closing Time 11:00	Closing date.....27 May 2024.....

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

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

- Required by:

- At:

- Brand and model

- Country of origin

- Does the offer comply with the specification(s)? *YES/NO

- If not to specification, indicate deviation(s)

- Period required for delivery

*Delivery: Firm/not firm

- Delivery basis

Note: All delivery costs must be included in the bid price, for delivery at the prescribed destination.

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

*Delete if not applicable

This document must be signed and submitted together with your bid

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

1 PILLARS OF THE PROGRAMME

- 1.1 The NIP obligation is benchmarked on the imported content of the contract. Any contract having an imported content equal to or exceeding US\$ 10 million or other currency equivalent to US\$ 10 million will have a NIP obligation. This threshold of US\$ 10 million can be reached as follows:
- (a) Any single contract with imported content exceeding US\$10 million.
or
 - (b) Multiple contracts for the same goods, works or services each with imported content exceeding US\$3 million awarded to one seller over a 2 year period which in total exceeds US\$10 million.
or
 - (c) A contract with a renewable option clause, where should the option be exercised the total value of the imported content will exceed US\$10 million.
or
 - (d) Multiple suppliers of the same goods, works or services under the same contract, where the value of the imported content of each allocation is equal to or exceeds US\$ 3 million worth of goods, works or services to the same government institution, which in total over a two (2) year period exceeds US\$10 million.
- 1.2 The NIP obligation applicable to suppliers in respect of sub-paragraphs 1.1 (a) to 1.1 (c) above will amount to 30 % of the imported content whilst suppliers in respect of paragraph 1.1 (d) shall incur 30% of the total NIP obligation on a *pro-rata* basis.
- 1.3 To satisfy the NIP obligation, the DTI would negotiate and conclude agreements such as investments, joint ventures, sub-contracting, licensee production, export promotion, sourcing arrangements and research and development (R&D) with partners or suppliers.

- 1.4 A period of seven years has been identified as the time frame within which to discharge the obligation.

2 REQUIREMENTS OF THE DEPARTMENT OF TRADE AND INDUSTRY

- 2.1 In order to ensure effective implementation of the programme, successful bidders (contractors) are required to, immediately after the award of a contract that is in excess of **R10 million** (ten million Rands), submit details of such a contract to the DTI for reporting purposes.

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

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

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

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

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

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

4 PROCESS TO SATISFY THE NIP OBLIGATION

- 4.1 Once the successful bidder (contractor) has made contact with and furnished the DTI with the information required, the following steps will be followed:
- a. the contractor and the DTI will determine the NIP obligation;
 - b. the contractor and the DTI will sign the NIP obligation agreement;

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

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

Bid number	Closing date:.....
Name of bidder.....	
Postal address	
.....	
Signature.....	Name (in print).....
Date.....	

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	
SPECIFIC GOALS	
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:

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

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:

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

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 (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
1. Disability (Minimum of one shareholder ownership in the company)	2.5	5		
2. Black women (100% Black women ownership in the company)	2.5	5		
3. Black ownership (100% black ownership in the company)	2.5	5		
4. Black Youth (Minimum of one shareholder black youth ownership in the company)	2.5	5		
Total	10	20		

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One-person business/sole propriety

- Close corporation
 - Public Company
 - Personal Liability Company
 - (Pty) Limited
 - Non-Profit Company
 - State Owned Company
- [TICK APPLICABLE BOX]

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

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

.....

SIGNATURE(S) OF TENDERER(S)

SURNAME AND NAME:

DATE:

ADDRESS:

.....

.....

.....

.....

THE NATIONAL TREASURY

Republic of South Africa



GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT

July 2010

GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

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

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

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

TABLE OF CLAUSES

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33. National Industrial Participation Programme (NIPP)
34. Prohibition of restrictive practices

General Conditions of Contract

1. Definitions

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

RSA.

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

obligations of the supplier covered under the contract.

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

2. Application

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

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

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

3. General

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

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

4. Standards

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

5. Use of contract documents and information; inspection.

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

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

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

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

6. Patent rights

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

7. Performance security

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

8. Inspections, tests and analyses

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

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

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

9. Packing

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

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

10. Delivery and documents

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

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
- (c) furnishing of a detailed operations and maintenance manual 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.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the

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

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

23.4 If a purchaser intends imposing a restriction on a supplier or any

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

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

may be due to him

25. Force Majeure

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

26. Termination for insolvency

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

27. Settlement of Disputes

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

28. Limitation of liability

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

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

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