



**SBD1**

**PART A  
INVITATION TO BID**

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

BID NUMBER: **COGHSTAB01-2024/25FY** CLOSING DATE: **17 MAY 2024** CLOSING TIME: **11H00**

DESCRIPTION: **THE APPOINTMENT OF A PANEL OF FIVE (05) AUDIT FIRMS TO RENDER PROBITY AUDITING SERVICES TO LIMPOPO CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS (CoGHSTA) IN THE PROCUREMENT OF INFRASTRUCTURE, GOODS AND SERVICES FOR A PERIOD OF 36 MONTHS**

**BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)**  
**20 RABE STREET**  
**POLOKWANE**  
**0700**

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

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO		TECHNICAL ENQUIRIES MAY BE DIRECTED TO:	
CONTACT PERSON	<b>MASEMOLA SS</b>	CONTACT PERSON	<b>DOLO LJ</b>
TELEPHONE NUMBER	<b>015 294 2024</b>	TELEPHONE NUMBER	<b>015 294 2232</b>
E-MAIL ADDRESS	<b>masemolass@coghsta.limpopo.gov.za</b>	E-MAIL ADDRESS	<b>dololj@coghsta.limpopo.gov.za</b>

**SUPPLIER INFORMATION**

NAME OF BIDDER  
POSTAL ADDRESS  
STREET ADDRESS

TELEPHONE NUMBER CODE NUMBER  
CELLPHONE 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]
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**QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS**

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

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

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

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

IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?  YES  NO

**IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.**



**PART B**  
**TERMS AND CONDITIONS FOR BIDDING**

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

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

SIGNATURE OF BIDDER:

.....

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

.....

DATE:

.....

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**PRICING SCHEDULE**  
(Professional Services)

SBD 3.3

NAME OF BIDDER: .....	BID NO.: COGHSTA B01/2024-25FY
CLOSING TIME 11:00	CLOSING DATE: 17 MAY 2024

OFFER TO BE VALID FOR **180** DAYS FROM THE CLOSING DATE OF BID.

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY (ALL APPLICABLE TAXES INCLUDED)
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1. The accompanying information must be used for the formulation of proposals.
2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project. R.....

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

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

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

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

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

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

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

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Name of Bidder: .....

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

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

TOTAL: R.....

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

.....

7. Estimated man-days for completion of project

.....

8. Are the rates quoted firm for the full period of contract?

\*YES/NO

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

.....  
.....  
.....  
.....

\*[DELETE IF NOT APPLICABLE]

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**BIDDER'S DISCLOSURE**

**1. PURPOSE OF THE FORM**

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

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

**2. Bidder's declaration**

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest<sup>1</sup> in the enterprise, employed by the state?

**YES/NO**

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

Full Name	Identity Number	Name of State institution

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

2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....  
.....

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

2.3.1 If so, furnish particulars:

.....  
.....

**3. DECLARATION**

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

- 3.1 I have read, and I understand the contents of this disclosure.
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect.
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement, or arrangement with any competitor. However, communication between partners in a joint venture or consortium<sup>2</sup> will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

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- 3.5 There have been no consultations, communications, agreements, or arrangements made by the bidder with any official of the procuring institution in relation to this 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.
- 3.6I 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

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LIMPOPO

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF  
CO-OPERATIVE GOVERNANCE,  
HUMAN SETTLEMENTS & TRADITIONAL AFFAIRS

TERMS OF REFERENCE FOR A PANEL OF FIVE (05) AUDIT FIRMS TO  
RENDER PROBITY AUDITING SERVICES TO LIMPOPO CO-OPERATIVE  
GOVERNANCE HUMAN SETTLEMENT AND TRADITIONAL AFFAIRS (CoGHSTA) IN THE PROCUREMENT OF INFRASTRUCTURE, GOODS  
AND SERVICES FOR A PERIOD OF 36 MONTHS

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## 1. PURPOSE

- 1.1. The purpose of this project is to contract a Panel of Audit Firms to conduct Probity auditing services to Limpopo Co-operative Governance Human Settlement and Traditional Affairs (CoGHSTA) in the procurement of infrastructure, goods and services required and planned for in a financial year. The Probity Audit Panel will run for a period of 3 years (36 months).

## 2. BACKGROUND

- 2.1. The Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) promotes economy, efficiency, effectiveness and transparency in the use of state resources and one of its key objectives is to eliminate waste and corruption in the use of public resources.
- 2.2. CoGHSTA has a responsibility to drive financial management discipline including the promotion of a good public procurement system that ascribes to the principles of Section 217 of Constitution, i.e., fairness, integrity, transparency, efficiency, competition and equity ensuring that Accounting Officer's undertake the procurement process in line with Section 217 of the Constitution. It is imperative that CoGHSTA provides independent assurance that the procurement processes followed are transparent and compliant to the PFMA, Preferential Procurement Policy Framework Act (PPPFA) and all related legislative requirements.
- 2.3. To this end, CoGHSTA embarks on a procurement process that goes beyond the legislative requirements, and consequently seeks independent audits of these processes to ensure its compliance.

## 3. GOAL OF THE PROJECT

- 3.1. The Panel of audit firms are expected to provide probity audit services on the compliance with the procurement process. The probity audit firms will provide reasonable assurance whether procedures followed are consistent with appropriate regulations, instructions note(s), guidelines and best practice principles of openness and transparency. The audit firms will report any act or omission they have observed in the procurement process that affects, or may affect, the integrity of the entire process followed. The audit firms will have full and free access to all aspects of the procurement process they are engaged to review.

## 4. SCOPE OF WORK

- 4.1. The appointed panel of audit firms are expected to audit the competitive bidding process using Auditors that are adequately skilled in the area of work required as well as experienced in the Auditing process, Auditing of Supply

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Chain Management, Governance and Risk Management. The minimum resources required are one(1) Project/Audit Manager and two (2) Auditors. The probity audit process must provide reasonable assurance of the process implemented on the final evaluation report ensuring the following compliance areas are adequately addressed in each step of the process:

- 4.1.1. Regulatory Compliance
- 4.1.2. Administrative Compliance
- 4.1.3. Compliance with Supply Chain Management regulations
- 4.1.4. Internal controls
- 4.1.5. Governance framework

#### **4.2. PROBITY AUDIT SERVICES**

4.2.1. Audit and Quality Assure the bid evaluation process:

- Pre – Qualifications
- Administrative Compliance
- Functionality/Technical Scoring
- Attend and audit site visits (where applicable)
- Audit the pricing and preference process

#### **5. DELIVERABLES**

##### **5.1. PROBITY REPORTS: (REPORTS SUBMISSION)**

5.1.1. The detailed Probity Audit Reports must contain the following:

- An indication of how the evaluation process was implemented,
- An indication that the terms of reference (TOR) were followed,
- audit findings raised, and recommendations.
- The Final probity Audit report / – to be produced within a minimum five (5) working days upon completion of the evaluation process, detailing each phase of the evaluation process with reasons for each bidders' outcome in the evaluation. The report must be accompanied by an audit file. The report must be submitted and discussed with the Departmental Bid Evaluation Committee (DBEC).

5.1.2. Project Close Out Report – to be discussed in a meeting with the Chief Financial Officer (CFO), DBEC Chairperson and The Director: Internal Control and Compliance when the final report is issued. The report must be submitted to the Departmental Bid Adjudication Committee (DBAC) Chairperson.

#### **6. QUALIFICATIONS AND EXPERIENCE REQUIREMENTS**

Bidders must provide evidence of company experience and the set of team qualifications and specialist skills and experience:

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## 6.1. PROJECT/AUDIT MANAGER

- Qualified either as a Chartered Accountant (CA(SA)), Certified Internal Auditor (CIA) or Professional Internal Auditor (PIA)
- Post Graduate Qualification in either Auditing/Internal Auditing NQF level 8, or
- Minimum of 5 years' experience Auditing.
- Registration with the relevant professional body – either South African Institute of Chartered Accountants (SAICA); Independent Regulatory Board of Auditors (IRBA); ; The Professional Body for Supply Chain Management (SAPICS), South African Supply Chain Management Chartered Institute of Audit Governance, ; Institute of Internal Auditors South Africa (IIASA)
- All qualifications must be SAQA accredited

## 6.2. AUDITORS

- Qualified either with -Certified Fraud Examiner (CFE) or Internal Audit Technician (IAT)
- Minimum requirement is SAQA Accredited Degree or equivalent NQF level 7 Qualification in Accounting/ Auditing/Cost and Accounting.
- Minimum of 2 years working experience in Auditing,
- Registration with the Professional Body – either South African Institute of Chartered Accountants (SAICA); Independent Regulatory Board of Auditors (IRBA); The Professional Body for Supply Chain Management (SAPICS), Chartered Institute of Audit Governance, Oversight and Leadership- Southern Africa (CIAGOL), The Association of Chartered Certified Accountants (ACCA); Chartered Institute of Management Accountants (CIMA); South African Institute of Professional Accountants (SAIPA); South African Institute of Business Accountants (SAIBA); Institute of Internal Auditors South Africa (IIASA)
- All qualifications must be SAQA accredited.

### NOTE:

Bidder(s) must attach certified copies of the original qualifications and professional body registrations with CVs of the professionals who will be assigned to the project. It will be expected that in each project the resources designated as Project Manager and the Two Auditors will be part of the probity audit team deployed in each project. In the event that the resources used by the bidders during the bidding process to qualify for the panel are no longer available, equivalent or better resources with similar experience and qualifications must be put forward to perform the work. The focus will be on the experience and qualifications submitted per resource.

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## 7. TRANSFER OF SKILLS

- 7.1. The appointed panel of audit firms will work closely with CoGHSTA officials to provide oversight to the Department through the transfer of skills for the continuity of probity auditing until the expiry of contract. An evaluation of the transfer of skills will be undertaken on regular process to ascertain the area of transfer.

## 8. DURATION

- 8.1. The appointment of a panel of audit firms to provide probity audit services to CoGHSTA in the procurement of infrastructure, goods and services will be for a period of 36 months.

## 9. EVALUATION

This bid will be evaluated in terms of the Preferential Procurement Policy Framework Act (Act No. 5 of 2000), 2022 Regulation, Departmental Procurement Preferential Policy and related regulations as follows:

**The bid will be evaluated in two (2) phases namely:**

- Phase 1: Bid Conditions (Phase 1a: Administrative Compliance and Phase 1b: Mandatory Compliance)  
Phase 2: Technical Evaluation (Functionality)

The Department reserves the right to accept all, some, or none of the bids submitted – either wholly or in part.

### 9.1. Phase 1: PHASE 1a: Administrative Compliance

The following returnable documents and requirements should be adhered to and be provided in the proposals.

- 9.1.1. Proof of Company Registration / partnership agreement/sole proprietor must be submitted.  
9.1.2. Original certified copies of ID of Owner(s) and/or Director(s). All certified copies not older than six (6) months.  
9.1.3. Completed and signed Compulsory Standard Bid Document (SBD1) which form part of the tender document.

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## 9.2. PHASE 1b: Mandatory Compliance

The following returnable documents and requirements must be adhered to and be provided in the proposals; failure to comply will result in an offer being disregarded and not considered for further evaluation:

- 9.2.1. In cases of Joint Venture/ consortium the parties must submit a Joint venture or consortium agreement formalizing the relationship and the Director or authorized person to sign on the documents must be indicated to ensure that only the authorized signatory with signing powers is able to sign the documents.
- 9.2.2. Proof of registration with a professional body for the Audit Firm must be submitted (all copies to be certified)
- 9.2.3. Completed and signed Compulsory Standard Bid Document (SBD4) which form part of the tender document.
- 9.2.4. Bidder/s must provide professional registration certificates of both Project Manager and the Auditors who are registered with the relevant professional body.
- 9.2.5. CVs of the technical team (**Audit Project Manager and the Auditors**) including original certified qualifications must be submitted. All certified copies not older than six (6) months. ***It is the responsibility of the bidder to ensure that all foreign qualifications of the technical team are evaluated by SAQA and submit proof of SAQA accreditation.***
- 9.2.6. **Project/Audit Manager**
  - 9.2.6.1. Certificate as either as a qualified Chartered Accountant (CA(SA)), Certified Internal Auditor (CIA) or Professional Internal Auditor (PIA)
  - 9.2.6.2. Post Graduate Qualification in either Auditing/Internal Auditing NQF level 8, or 9
  - 9.2.6.3. Copy Registration with the relevant professional body – either South African Institute of Chartered Accountants (SAICA); Independent Regulatory Board of Auditors (IRBA); Institute of Internal Auditors South Africa (IIASA)
- 9.2.7. **Auditor(s)**
  - 9.2.7.1. Qualified either with Certified Fraud Examiner (CFE) or Internal Audit Technician (IAT)
  - 9.2.7.2. Minimum requirement is SAQA Accredited Degree or equivalent NQF level 7 Qualification in Accounting/ Auditing/Cost and Accounting.
  - 9.2.7.3. Minimum of 2 years working experience in Auditing,
  - 9.2.7.4. Registration with the Professional Body – either South African Institute of Chartered Accountants (SAICA); Independent Regulatory Board of Auditors (IRBA); The Professional Body for Supply Chain Management (SAPICS), Chartered Institute of Audit Governance, Oversight and Leadership- Southern Africa (CIAGOL), The Association of Chartered Certified Accountants (ACCA); Chartered Institute

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of Management Accountants (CIMA); South African Institute of Professional Accountants (SAIPA); South African Institute of Business Accountants (SAIBA); Institute of Internal Auditors South Africa (IIASA).

- 9.2.8. Reference letters of the Audit firm(s) with verifiable references of similar probity audit work previous completed in the past 3 years.
- 9.2.9. Closing time for all bids is 11h00 a.m. Bids received after the specified closing time on the closing date shall be regarded as late and will not be accepted.
- 9.2.10. Bids submitted through e-mail or fax will not be considered.
- 9.2.11. Each bid should be lodged in a sealed separate envelope with the name and address of the bidder, bid number and closing date.
- 9.2.12. Bidders should make use of the prescribed bid documents. Do not retype or copy.
- 9.2.13. Use of tippex is prohibited.
- 9.2.14. No amendments without initializing will be accepted.
- 9.2.15. The Department will not enter into a contract with audit firms who are not registered on the Centralized Supplier Database (CSD).
- 9.2.16. Deviation from Specifications/Terms of Reference is not permitted.

**NOTE:**

- Submit original certified copies not older than six months.
- It is the bidder's responsibility to **have foreign qualifications evaluated by the South African Qualification Authority (SAQA) and submit proof of SAQA accreditation.**

**9.3. Phase 2: Technical Evaluation (Functionality)**

100% (80 points) will be allocated for technical requirements in accordance with the following rating scale:

Rating scale	Description	Explanation
0	Very poor	No information provided
1	Poor	Very little information provided and substantiated
2	Average	Inadequate information
3	Good	To some degree
4	Very Good	Satisfactory
5	Excellent	Fully meets requirements

With regard to functionality the following criteria will be applicable, and the maximum weight of each criterion is indicated hereunder:

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Criteria A: Tenderer's experience			Points
<b>BIDDER'S EXPERIENCE IN AUDITING</b> (Number of years) , Proof of registration with a professional body for the Audit Firm	Number of years as a registered audit firm. Rating scale 5 (5 years and above = 25 points) Rating scale 4 (4 but less than 5 years = 20 points) Rating scale 3 (3 but less than 4 years = 15 points) Rating scale 2 (2 but less than 3 years = 10 points) Rating scale 1 (1 but less than 2 years = 05 points) Rating scale 0 (less than 1 year = 00 points)		25
<b>BIDDER'S EXPERIENCE IN AUDITING, Appointment letter/Purchase Order and Invoice /or contract in the company's name for the Probity Auditing work done by the company over the years of their auditing operation)</b>	Number of projects completed of similar nature with verifiable references. Rating scale 5 (5 projects and above completed = 25 points) Rating scale 4 (4 projects completed = 20 points) Rating scale 3 (3 projects completed = 15 points) Rating scale 2 (2 projects completed = 10 points) Rating scale 1 (1 project completed = 05 points) Rating scale 0 (less than 1 project completed = 00 points)		25
Criteria B: Experience of technical project team			
Criteria	Means of Verification	Relevant Work Experience	Points
<b>PROJECT/AUDIT MANAGER MUST SUBMIT CV &amp; QUALIFICATIONS</b> <ul style="list-style-type: none"> <li>Detailed CV's must clearly state the experience in number of years in probity auditing</li> <li>Certificate as either as a qualified Chartered Accountant (CA(SA)), Certified Internal Auditor (CIA) or Professional Internal Auditor (PIA)</li> <li>Post Graduate Qualification in either Auditing/Internal</li> </ul>	Attach CVs including original & certified qualifications. All certified copies not older than six (6) months.	<b>Experience as Audit Manager</b> Rating scale 5 (5 years and above = 10 points) Rating scale 4 (4 but less than 5 year = 08 points) Rating scale 3 (3 but less than 4 years = 06 points) Rating scale 2 (2 but less than 3 years = 04 points) Rating scale 1 (1 but less than 2 years = 02 points) Rating scale 0 (less than 1 years = 00 points)	10

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Auditing NQF level 8, or 9			
<b>AUDITOR EXPERIENCE</b> No. 1 <ul style="list-style-type: none"> <li>Detailed CV's must demonstrate experience in a number of years in probity auditing)</li> <li>Qualified either with Certified Fraud Examiner (CFE) or Internal Audit Technician (IAT)</li> <li>Minimum requirement is SAQA Accredited Degree or equivalent NQF level 7 Qualification in Accounting/ Auditing/Cost and Accounting.</li> </ul>	<b>Attach CVs including original certified qualifications. All certified copies not older than six (6) months.</b>	<b>Experience as an Auditor</b> Rating scale 5 (5 years and above = 10 points) Rating scale 4 (4 but less than 5 year = 08 points) Rating scale 3 (3 but less than 4 years = 06 points) Rating scale 2 (2 but less than 3 years = 04 points) Rating scale 1 (1 but less than 2 years = 02 points) Rating scale 0 (less than 1 years = 00 points)	10
<b>AUDITOR EXPERIENCE</b> No. 2 <ul style="list-style-type: none"> <li>Detailed CV's must demonstrate experience in a number of years in probity auditing)</li> <li>Qualified either with Certified Fraud Examiner (CFE) or Internal Audit Technician (IAT)</li> <li>Minimum requirement is SAQA Accredited Degree or equivalent NQF level 7 Qualification in Accounting/ Auditing/Cost and Accounting.</li> </ul>	<b>Attach CVs including original certified qualifications. All certified copies not older than six (6) months.</b>	<b>Experience as an Auditor</b> Rating scale 5 (5 years and above = 10 points) Rating scale 4 (4 but less than 5 year = 08 points) Rating scale 3 (3 but less than 4 years = 06 points) Rating scale 2 (2 but less than 3 years = 04 points) Rating scale 1 (1 but less than 2 years = 02 points) Rating scale 0 (less than 1 years = 00 points)	10
<b>GRAND TOTAL</b>			<b>80</b>

**IMPORTANT NOTE:**

**A bid which scores less than seventy percent (70% or 56 points) in respect of the requirements in Technical or Functionality Evaluation will be deemed to be non-responsive.**

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## 10. REQUEST FOR PRICE PROPOSALS

- 10.1. The Department will invite Bidders included on the appointed Audit Firm Panels to provide priced proposals based on the projects to be undertaken during the existence of the panel, during which period **Price and Specific Goals** will be included as factor.

## 11. SUBMISSION PROCEDURE

Proposal submitted through e-mail or fax will not be considered.  
 All bids must be submitted in the Bid Box @ 20 Rabe Street, Cnr Landdros Mare & Rabe Streets, Polokwane addressed to:  
 The Chief Director  
 Supply Chain Management  
 Department of Co-operative Governance, Human Settlements & Traditional Affairs  
 Private Bag X9485  
 Polokwane  
 0700

## 12. INFORMATION

Should additional information or clarification be required regarding the terms of reference before the closing date of bid, contact may be made through telephone or email with the following officials:

NAME	TELEPHONE	EMAIL ADDRESS
<b>Technical Enquiries</b>		
Dolo LJ	015 294 2232	DoloLJ@coghsta.limpopo.gov.za
Dikotla MR	015 294 5006	DikotlaMR@coghsta.limpopo.gov.za
<b>Administrative Enquiries</b>		
Mokalapa MJ	015 294 2278	MokalapaMJ@coghsta.limpopo.gov.za
Masenya JT	015 294 2310	MasenyaJT@coghsta.limpopo.gov.za
Masemola SS	015 294 2024	MasemolaSS@coghsta.limpopo.gov.za

### DBSC SIGNATURES

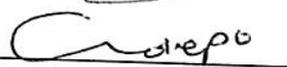
Chairperson :



Deputy Chairperson :



Member :



Member :



HOD :



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W.M

C.J

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**THE NATIONAL TREASURY**

**Republic of South Africa**



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**GOVERNMENT PROCUREMENT:  
GENERAL CONDITIONS OF CONTRACT**

**July 2010**

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**GOVERNMENT PROCUREMENT**  
**GENERAL CONDITIONS OF CONTRACT**  
**July 2010**

**NOTES**

The purpose of this document is to:

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

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

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

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## General Conditions of Contract

### 1. Definitions

1. The following terms shall be interpreted as indicated:
  - 1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
  - 1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
  - 1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
  - 1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of 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

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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

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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](http://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.

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**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

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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;

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- (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

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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

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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

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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

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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

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- (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.

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- 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.

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