

LEPELLE NORTHERN WATER



TENDER NO: LNW24/25/26

APPOINTMENT OF AN INDEPENDENT PROJECT MANAGEMENT AND QUALITY ASSURANCE SERVICE PROVIDER TO RENDER PROJECT MANAGEMENT AND QUALITY ASSURANCE SERVICES FOR THE SAP S4/HANA IMPLEMENTATION PROJECT AT LNW FOR A PERIOD OF TWELVE(12) MONTHS

CLOSING DATE: 03 July 2026 at 11:00

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: _____

CSD NUMBER: MAAA _____

TOTAL AMOUNT: (incl. VAT) _____

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE LEPELLE NORTHERN WATER			
BID NUMBER:	LNW24/25/26	CLOSING DATE: 03 July 2026	CLOSING TIME: 11h00
DESCRIPTION	APPOINTMENT OF AN INDEPENDENT PROJECT MANAGEMENT AND QUALITY ASSURANCE SERVICE PROVIDER TO RENDER PROJECT MANAGEMENT AND QUALITY ASSURANCE SERVICES FOR THE SAP S4/HANA IMPLEMENTATION PROJECT AT LNW FOR A PERIOD OF TWELVE(12) MONTHS		
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT 01 LANDROS MARE STREET POLOKWANE			
LEPELLE NORTHERN WATER HEAD OFFICE			
01 LANDROS MARE STREET			
POLOKWANE			
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO		TECHNICAL ENQUIRIES MAY BE DIRECTED TO:	
CONTACT PERSON	Happiness Baloyi	CONTACT PERSON	Tshepho Motau
TELEPHONE NUMBER	015 295 1800	TELEPHONE NUMBER	015 295 1800
FACSIMILE NUMBER		FACSIMILE NUMBER	
E-MAIL ADDRESS	happinessb@lepelle.co.za	E-MAIL ADDRESS	tshephom@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	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]		<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:
<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>
2. TAX COMPLIANCE REQUIREMENTS
<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:

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 option Tenders 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) [Grid]

Trading name (if applicable) [Grid]

ID/Passport no [Grid] Company/Close Corp. registered no [Grid]

Income Tax ref no [Grid] PAYE ref no 7 [Grid]

VAT registration no 4 [Grid] SDL ref no L [Grid]

Customs code [Grid] UIF ref no U [Grid]

Telephone no [CODE] [NUMBER] Fax no [CODE] [NUMBER]

E-mail address [Grid]

Physical address [Grid]

Postal address [Grid]

Particulars of representative (Public Officer/Trustee/Partner)

Surname [Grid]

First names [Grid]

ID/Passport no [Grid] Income Tax ref no [Grid]

Telephone no [CODE] [NUMBER] Fax no [CODE] [NUMBER]

E-mail address [Grid]

Physical address [Grid]

1. BACKGROUND

Lepelle Northern Water (LNW) is a state-owned water utility providing water and sanitation services across the Limpopo province. LNW has offices and pumps stations across the province while the head office at 1st Landros Mare, in Polokwane. As part of its ICT digital transformation strategy, LNW is upgrading its Enterprise Resource Planning (ERP) system from SAP ECC6 to SAP S/4HANA Private Cloud Edition. This upgrade is undertaken in a form of green field implementation as it was recommended to be a best approach under LNW's circumstance.

To ensure the project delivers a high-quality, functional, and reliable system, LNW requires an independent service provider to conduct Project Management and Quality Assurance (QA) services throughout the project lifecycle. The project has already moved from Prepare and Explore phases and currently it is in the Realise phase although the Explore stage is not fully signed off.

The project has started a while back with Project Management driven within the organization together with the Service Provider and currently the project has progressed to an advanced stage where most of the work has been completed. However, it was observed that to strengthen the project governance, and successful implementation of the project, LNW should consider appointment of a service provider to independently provide Project Management and Quality Assurance Services.

Therefore, the focus of Project Management will be on planning, controlling, monitoring and driving the implementation of the remaining scope of work to ensure successful implementation. Whilst the Quality assurance services is expected to ensure high quality standards for implementation of SAP S/4 Hana for LNW.

2. SPECIFICATION

The Project Management and Qualified Assurance service provider is expected meet the following requirements:

- 2.1 Demonstrable expertise in Project Management and Quality Assurance for large-scale SAP implementations.
- 2.2 At least 3 or more years of experience in cloud-based SAP S/4HANA deployments and risk

management frameworks.

2.3 Proven track record in test planning, defect management, and performance testing.

2.4 The service provider must provide a details project schedule and milestones through which the scope of work will be delivered.

2.5 The service provider is expected to work with the implementation partner and the LNW to ensure successful delivery of the project.

2.6 The Service Provider must deploy a strong team of resources which demonstrate relevant and credible experience for a project of this magnitude.

2.7 From time to time, the Service Provider may be required to suspend or slow down its activities due to dependencies on the Implementation Partner and Lepelle Northern Water (LNW) in finalizing required deliverables. In such instances, the Service Provider shall not be entitled to invoice LNW for any standby, idle, or waiting periods. Where such delays are not attributable to the Service Provider, LNW shall, subject to internal approvals, grant a reasonable extension of the contract duration or project timelines on a time-only basis, without any adjustment to the agreed contract value, pricing structure, or initial budget allocation. LNW shall use reasonable endeavors to resolve outstanding issues and provide the required input or deliverables within a reasonable timeframe to enable the Service Provider to resume work. Any lost time incurred by the service provider due to such delays will be compensated through an extension of the service period at no additional cost, provided that such extension remains within the contract period.

2.8 The service provider will be expected to work from LNW office in Polokwane most of the duration of the contract although hybrid model might be adopted as and when a need arises.

2.9 All the recommendations from the Service Provider will be presented to the LNW working committee and the implementation partner for discussion before reports are adopted.

2.10 This project has been started a while back and the service provider will be expected to quickly familiarise themselves with the project to avoid undue delays.

2.11 The service provider is expected to demonstrate professionalism in conducting all the reviews in accordance with the highest standards which will prevent the project and LNW from failing.

2.12 The service provider is expected to deploy equivalent resources in case where the initially

deployed resource resigns or are relieved from their employment.

2.13 The quality assurance activities will only be conducted during the transition from one phase of the project to the next phase.

2.14 The Service Provider is expected to be truthful and honest in its response to this bid.

3. SCOPE OF WORK

3.1 Overview of Scope

The Independent Project Management and Quality Assurance service provider will be responsible for planning, coordinating, monitoring, and managing project management activities throughout the project lifecycle, including governance support, risk and issue management, stakeholder coordination, project scheduling, progress tracking, reporting, change control, and quality assurance processes. The service provider will further be responsible for reviewing project deliverables, including functional and technical specifications, against defined business requirements across the SAP Activate methodology phases to ensure compliance with SAP best practices, Lepelle Northern Water (LNW) policies, and applicable government regulations governing ERP implementation within a Schedule 3B government entity.

3.2 Modules and Activities in Scope

The Independent Project management and Quality Assurance services will cover the implementation of the following modules and activities:

- i. S/4HANA Private Cloud ERP
- ii. SuccessFactors (Employee Central, Performance & Goals, and SAP Integration Suite – SFSF Edition) (HR)
- iii. S/4HANA Payroll
- iv. S/4HANA Project Systems (PS)
- v. S/4HANA Plant Maintenance (PM) and SAP Service and Asset Management (SSAM)
- vi. S/4HANA Materials Management (MM)
- vii. S/4HANA Sales and Distribution (SD)
- viii. S/4HANA Finance and Control (FICO)
- ix. S/4HANA Accounts Payable
- x. S/4HANA Asset Accounting
- xi. S/4HANA General Ledger and Reporting

- xii. S/4HANA Bank and Cash Management
- xiii. S/4HANA Accounts Receivable
- xiv. SAP Analytics Cloud
- xv. SAP Business Technology Platform (BTP)
- xvi. Data Migration
- xvii. System Integrations

3.3 Project Management Activities

- Project planning and scheduling
- Project governance and reporting
- Stakeholder and communication management
- Project performance monitoring and control
- Scope and change management
- Risk and issue management
- Vendor and implementation partner performance monitoring
- Resource coordination and dependency management
- Budget and schedule tracking
- Project documentation management
- Quality management and assurance oversight
- Escalation management and resolution tracking
- Cutover and go-live coordination oversight
- Post-implementation stabilization monitoring
- Benefits realization and project closure management

3.4 The Project Manager will be expected to dedicate three working days per week to the project for the duration of the engagement. Project Governance and Oversight

- Assess governance structures and decision-making processes
- Review Steering Committee effectiveness
- Monitor RAID logs (Risks, Assumptions, Issues, Dependencies)
- Provide independent project health reports

3.5 Phase Gate Reviews (SAP Activate) Conduct formal phase gate reviews across:

- Explore
- Realize

- Deploy
- Run
- Provide go/no-go recommendations

3.6 Business and Functional Design Assurance

Review Business Process Design (BPD)s and Functional Design Documents (FDDs)

Assess alignment with:

- Business requirements
- SAP best practices
- LNW policies
- Identify gaps and inconsistencies

3.7 Technical Design and Architecture Assurance

- Review system architecture and configurations
- Assess scalability, performance, and reliability
- Validate integration architecture

3.8 Data Migration Assurance

- Review migration strategy
- Validate data cleansing and transformation
- Verify reconciliation and completeness

3.9 Testing Assurance

- Review test strategies, plans, and scripts
- Validate testing coverage
- Assess Execution Logs

3.10 Defect Management Oversight

- Review defect logs and tracking processes
- Monitor resolution effectiveness

3.11 Independent Testing Validation

- Independently assess test results
- Recommend improvements for quality and stability

3.12 Security, Controls and Compliance Assurance

- Review access controls and roles
- Assess Segregation of Duties (SoD)
- Ensure compliance with governance and audit requirements

3.13 Change Management and User Readiness

- Review change management strategy
- Assess user training and readiness
- Evaluate adoption planning

3.14 Integration and Interface Assurance

- Review system integrations
- Validate interface testing and reliability

3.15 Cutover and Go-Live Readiness

- Review cutover strategy
- Assess business continuity and fallback planning
- Provide go-live readiness assessment

3.16 Post-Go-Live Support and Benefits Realization

- Assess support model post go-live
- Monitor system stabilization
- Evaluate benefits realization and Return on Investment (ROI)

4. DELIVERABLES

The service provider will be expected to deliver the following outputs:

- BPD and FDD Review Reports
 - Technical and Architecture Assessment Reports
 - Testing Review Reports
 - Defect Management Reports
 - Data Migration Assurance Reports
 - Security and Compliance Reports
-

- Change Management Assessment Reports
- Phase Gate Review Reports
- Go-Live Readiness Report
- Monthly Project Health Reports
- Final Project Quality Assurance (PQA) Report, including:
 - Overall project management and quality assessment
 - Project performance evaluation against scope, schedule, budget, and deliverables
 - Governance, stakeholder management, and project reporting summary
 - Risk, issue, and mitigation summary
 - Change management and decision register summary
 - Lessons learnt and continuous improvement roadmap
 - Benefits realization, ROI, and value realization analysis
 - Recommendations for post-implementation support, sustainability, and optimization of the SAP environment

5. EXPECTED OUTCOMES

The engagement is expected to:

- Ensure successful SAP S/4HANA implementation
- Strengthen governance and oversight
- Reduce project risks and cost overruns
- Ensure compliance with regulatory requirements
- Improve system performance and user adoption
- Deliver value and return on investment

6. DURATION OF CONTRACT

The contract will be for a period of TWELVE (12) months

7. PROCUREMENT PROCESS

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

1. Validity of Tender : 150 Days (5 Months)
2. Contract Period : TWELVE (12Months)
3. Advert date : 05 June 2026
4. Closing date : 03 July 2026
5. A compulsory briefing session will be held as follows;
 - **Date:** 22 June 2026
 - **Time:** 10h00
 - **Venue:** 01 Landros Mare Street, Lepelle House, Polokwane, 0699

All bidders must attend the briefing session and sign the official attendance register.

NB: Failure to attend the compulsory briefing session and/or sign the attendance register will result in disqualification of the bid. In the case of a Joint Venture (JV) or consortium, attendance by the lead partner representative will be accepted.

8. EVALUATION CRITERIA

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

1. Bids that meet the specifications
2. Value for money
3. LNW SCM Policy
4. PPPFA and associated regulations

8.1 Bid Evaluation Method

Tender will be evaluated in terms of the following **four stages**:

- Stage 1: Administrative Compliance
- Stage 2: Mandatory Requirements
- Stage 3: Functionality: Technical Evaluation
- Stage 4: 80/20 preferential points system (Price and Specific Goals).

8.1.1 Stage 1. Administrative Compliance

MINIMUM DOCUMENTS REQUIRED FOR THIS BID	SUBMITTED (YES /NO)
Completed SBD1	
Completed SBD 6.1 forms	
Valid SARS Tax PIN	
Company registration documents / CIPC (CK)	
Valid B-BBEE Certificate / Sworn Affidavit	

All the above administrative MUST be submitted with the tender document

8.1.2 Stage 2 - Mandatory requirements

NO	DOCUMENTS REQUIRED	SUBMITTED (YES /NO)
1	Joint Venture (JV) bidders must submit a JV Agreement clearly indicating the lead partner and the percentage split of participation for each partner, totaling 100%. Failure to provide this information may result in disqualification.	
2	Full completion and signing of SBD 4 and SBD 3.1	
3	Attach Proof of registration on the Central Suppliers Database (CSD). In case of a JV, all Partners must submit. This will be verified online.	
4	Attach proof of municipal rates and taxes (in the name of the company or a director), not older than three months, as proof of business or residential address. Alternatively, bidders may submit a signed lease agreement in the name of the company or a dated stamped letter from the relevant tribal authority.	
5	Clearly visible Certified valid ID copies of the company Directors, not less than 6 months.	
6.	All bid documents must be completed in full and in BLACK ink where applicable; (No tampering of bid documents with either correction fluid, sticky papers, or any other thing which can indicate that the bid document has been tampered with).	
7.	Bidder attended compulsory mandatory briefing session.	

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

Stage 3: Functionality: Technical Evaluation

Under quality/functionality, service providers must achieve a minimum of **70 points** of quality/functionality points to be considered for further evaluation in stage 4 (80/20 preferential points system (Price and Specific Goals).

8.2 Functionality Criteria

Evaluation CRITERIA Phase 1			Points
The evaluation criteria and points for measuring functionality are indicated below			
Evaluation Criteria	Description	Points Allocation	Maximum Points
COMPANY EXPERIENCE	<p>Reference letters and successfully completed SAP QA projects</p> <p>NB. The service provider must submit a signed copy of reference letters from their clients. The reference letters must specify the type of service rendered. Letters must be on company letter head and must be signed by the responsible person, with date, email address and contacts numbers.</p> <p>Failure to submit the required supporting documentation will result in the service provider forfeiting points for this category.</p>	<p>- 1 reference letter: 0 points</p> <p>- 2 reference letters: 5 points</p> <p>- 3 reference letters: 10 points</p> <p>-4 or more reference letters: 20 points</p>	20

<p>KEY PERSONNEL EXPERIENCE AND QUALIFICATIONS</p>	<p>Expertise of key team members in SAP S/4HANA Quality Assurance, including relevant certifications and project experience.</p> <p>NB: Bidders must submit one CV (on the provided CV template) per required consultant/team member, clearly indicating the individual’s relevant experience in the applicable functional area, qualifications, and certifications. Failure to submit the required CVs and qualifications for each required consultant/team member will result in the service provider forfeiting points for this category.</p> <p>Certificates of attendance will not be considered.</p>	<p>Attach CVs reflecting the minimum experience indicated below, as well as formal qualifications at a minimum NQF Level 6 in IT or any qualification relevant to the applicable SAP module, for the following required consultants/team members for evaluation on experience:</p> <ol style="list-style-type: none"> 1. FICO Consultant 2. MM Consultant 3. SuccessFactors Consultant 4. Payroll Consultant 5. PM Consultant 6. PS Consultant 7. SD Consultant 8. SSAM Consultant <p>The average years in experience of the team will be calculated and if the average experience of the team is:</p> <ul style="list-style-type: none"> • Between 3 to 5 years = 10 points • Between 6 to 7 years = 20 points • Between 8-9 years = 30 points • greater than 9 years = 40 points 	<p>30</p>
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	<p>Expertise of Project Manager in SAP S/4 HANA Implementation, Quality Assurance, including relevant certifications and project management experience.</p> <p>NB: Bidders must submit one CV (using the provided CV template) for the proposed Project Manager, clearly indicating the individual's SAP S/4HANA implementation experience, project management experience, qualifications, and relevant certifications. Failure to submit the required CV and qualifications will result in the service provider forfeiting points for this category. Certificates of attendance will not be considered.</p>	<p>Minimum Requirements:</p> <ul style="list-style-type: none"> - at least 5 years' ICT/ERP Project Management experience - Recognised PM certification (PRINCE2 or PMP or AgilePM or SAP Activate or equivalent) - ICT Diploma at NQF Level 6 or higher qualification <p>Scoring:</p> <ul style="list-style-type: none"> - Does not meet requirements / no submission = 0 points - 5 years' experience and qualifications = 10 points - 6-9 years' experience and qualifications = 20 points - 9 or more years' experience and qualifications = 30 points 	30
<p>IMPLEMENTATION METHODOLOGY</p>	<p>Submission of the detailed project Implementation Plan and methodology.</p> <p>Service provider to provide a detailed implementation methodology and project plan/schedule outlining how they will manage the project for LNW which will include the following elements:</p> <p>1. Activities, 2. Milestones, 3. Resource, 4. Costs, 5. Timeframes</p> <ul style="list-style-type: none"> - 0 element = 0 point - 1 elements = 5 points - 2 elements = 8 points 	20	

	<ul style="list-style-type: none"> - 3 elements = 12 points - 4 elements = 15 points - 5 elements = 20 points <p>(Failure to provide a substantiated detailed project plan with the timeframes that are beyond the stipulated contract period of TWELVE (12)months will result in service provider forfeiting points in this category.)</p>	
TOTAL		100

Documents submitted will be subjected to verification, confirmation, and state security vetting.

NB:

- Lepelle Northern Water reserves the right to verify reference letters and certificates provided.

8.1.4 Stage 4: Evaluation on Price and Specific Goals 80/20

NB:

- Only the combined Price & Specific Goals points will determine the highest point scoring service providers to be awarded the contract.

Financial offer and Preference Points Allocation

- 1) Score tender evaluation points for financial offer.
- 2) Confirm that tenderers are eligible for the Preference Points Allocation (As per the Preferential Procurement regulations 2022) claimed, and if so, score tender evaluation points.
- 3) Calculate total quotation evaluation points using estimated rates total and preference points.
- 4) Rank bidders offered from the highest points scorer of tender evaluation points to the lowest.
- 5) Recommend the bidders 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.

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

Scoring Financial Offers

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

Formula	As when required for comparison	
1	Highest price or discount	$(1 - \frac{(P - P_m)}{P_m})$
2	Lowest price or percentage commission/fee	$(1 - \frac{(P - P_m)}{P_m})$

where:

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

P = the comparative offer of tender offer under consideration.

The **80/20 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 Points
1	SMME (Small Medium Micro Enterprise)	CSD Report	5
2	Black women (100% Black women ownership in the company)	CSD Report	5
3	Black ownership (100% black ownership in the company)	CSD Report	5
4	Black Youth (Minimum of 1 shareholder Black youth ownership in the company)	CSD Report	5
Total Points			20

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

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.....
Closing Time 11:00	Closing date.....

OFFER TO BE VALID FOR 150 DAYS FROM THE CLOSING DATE OF BID.

Pricing & Payment Terms

Item Number	Description	Hourly Rate	Unit of Measure	Total Hours	Amount
1	Explore		Activity Unit		
2	Realise		Activity Unit		
3	Deploy		Activity Unit		
4	Run		Activity Unit		
				Subtotal	
				VAT	
				Total	

NB: - Pricing above must include all chargeable items - deliverables, disbursement, travelling and any other related cost to the exercise. No items will be paid outside the above fixed price.

10 CONTRACT CONDITIONS

1. Full adherence to the contract and other applicable Acts will be applicable during the contract; and
2. Submission of detailed report per service rendered (no payment will be made until final approval of the report by the end user)
3. Full adherence to the Occupational and Health and Safety Act, Act 85 of 1993 and other applicable Acts will be applicable during the course of the contract.

ANNEXURE A SUMMARY CV TEMPLATE

Complete and submit this Summary CV Template for each proposed consultant or team member. Instruction:
Tick (✓) the applicable role(s) for which CVs are submitted.

Tick (✓)	Consultant Role
<input type="checkbox"/>	SAP FICO Consultant
<input type="checkbox"/>	SAP MM Consultant
<input type="checkbox"/>	SAP SuccessFactors Consultant
<input type="checkbox"/>	SAP Payroll Consultant
<input type="checkbox"/>	SAP PM Consultant
<input type="checkbox"/>	SAP PS Consultant
<input type="checkbox"/>	SAP SD Consultant
<input type="checkbox"/>	SAP SSAM Consultant
<input type="checkbox"/>	Project Manager

Full Name(s)	
Surname	
ID Number	

Employment History (Summary)	Tertiary Qualifications (Highest order)
1. 2. 3. 4. 5. 6.	1. 2. 3. 4.

Relevant Projects Completed Recently					
No.	Description Name of Project	Type: Quality Assurance on SAP S4/HANA Implementation projects	Name of Client	Start and End dates	Position or role (on the project)
1.					
2.					
3.					
4.					

Certification:

I, the undersigned, certify that, to the best of my knowledge and belief, this data correctly describes me, my qualifications and my experience.

.....

Signature of person named in the schedule Date

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

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

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

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

2.2.1 If so, furnish particulars:

.....
.....

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

2.3.1 If so, furnish particulars:

.....
.....

3 DECLARATION

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

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

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

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

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

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

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

.....
Signature

.....
Date

.....
Position

.....
Name of bidder

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

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

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

1. GENERAL CONDITIONS

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

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

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

(delete whichever is not applicable for this tender).

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

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

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

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

The maximum points for this tender are allocated as follows:

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

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

2. DEFINITIONS

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

	80/20	or	90/10	
<i>P min</i>	$P_s = 80 \left(1 - \frac{P_t - P_{min}}{\quad} \right)$	or	$P_s = 90 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)$	

Where

- P_s** = Points scored for price of tender under consideration
P_t = Price of tender under consideration
P_{min} = 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:

$$P_{max} \quad \begin{array}{ccc} 80/20 & \text{or} & 90/10 \\ P_s = 80 \left(1 + \frac{P_t - P_{max}}{P_{max}}\right) & \text{or} & P_s = 90 \left(1 + \frac{P_t - P_{max}}{P_{max}}\right) \end{array}$$

Where

P_s = Points scored for price of tender under consideration

P_t = Price of tender under consideration

P_{max} = 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 80/20 preference point system is applicable, corresponding points must also be indicated as such.)

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

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) <i>(To be completed by the organ of state)</i>	Number of points claimed (80/20 system) <i>(To be completed by the tenderer)</i>
1. Small Medium Macro Enterprises (SMME)	5	
2. Black women (100% Black women ownership in the company)	5	
3. Black ownership (100% black ownership in the company)	5	
4. Black Youth (Minimum of one shareholder black youth ownership in the company)	5	
Total	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.

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

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.

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General Conditions of Contract

1. Definitions

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

RSA.

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

obligations of the supplier covered under the contract.

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

2. Application

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

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

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

3. General

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

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

4. Standards

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

5. Use of contract documents and information; inspection.

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

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

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

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

6. Patent rights

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

7. Performance security

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

8. Inspections, tests and analyses

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

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

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

9. Packing

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

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

10. Delivery and documents

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

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

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