provincial treasury
Department:
Provincial Treasury
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

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FINANCIAL MANAGEMENT SERVICES

DEPARTMENTAL SUPPLY CHAIN MANAGEMENT

INVITATION TO BID

NWDF 04-2026 - APPOINTMENT OF A PANEL OF PROVINCIAL EXECUTIVE REPRESENTATIVES (INDIVIDUALS) FOR MUNICIPALITIES IN THE NORTH WEST PROVINCE FOR A PERIOD OF THREE (03) YEARS ON AS AND WHEN REQUIRED BASIS.

You are invited to submit a bid for the service as indicated in the bid document.

1. The conditions contained in the General Conditions of Contract (GCC), and the attached bid forms, as well as any other conditions accompanying this invitation, are applicable.

2. The work procedure, the bidder proposes to follow in order to obtain the required result must be clearly outlined and its terms may not conflict with those contained in the General Conditions of Contract (GCC).

3. All the documents accompanying this invitation to bid must be completed in detail, be sealed in an envelope and be deposited in the tender box before the closing date and time. The tender box is situated at **Second Floor, Provincial Treasury, CFO Section, Supply Chain Management, Garona Building, Dr. James Moroka Drive, Mmabatho, 2735**

4. Duly completed and signed original bid documents should be sealed in an envelope marked:

BID NO : NWDF 04-2026

BID DESCRIPTION : APPOINTMENT OF A PANEL OF PROVINCIAL EXECUTIVE REPRESENTATIVES (INDIVIDUALS) FOR MUNICIPALITIES IN THE NORTH WEST PROVINCE FOR A PERIOD OF THREE (03) YEARS ON AS AND WHEN REQUIRED BASIS.

CLOSING DATE : 28 AUGUST 2026

COMPULSORY BRIEFING : 20 AUGUST 2026

CLOSING TIME : 11H00 AM

APPOINTMENT OF A PANEL OF PROVINCIAL EXECUTIVE REPRESENTATIVES (INDIVIDUALS) FOR MUNICIPALITIES IN THE NORTH WEST PROVINCE FOR A PERIOD OF THREE (03) YEARS ON AS AND WHEN REQUIRED BASIS.

5. Department of Provincial Treasury reserves the right to accept or reject any bid.

6. For more information please contact the following:

Email address : TMkhize@nwpg.gov.za AND lramatlhape@nwpg.gov.za

7. BID CONDITIONS

- Late applications/ bids will not be considered. Please note that the applications/ bids are late if they are received at the address given in the bid document after the bid closing date and time.
- Where applicable, all the relevant forms attached to this bid document must be completed and signed in ink by the applicant.
- Successful individuals must be in a position to commence work within five (5) calendar days of the awarding of an assignment contract.
- Individuals will be required to undergo compulsory screening
- General Conditions of Contract (GCC) are also applicable to this tender.
- Misrepresentation of facts and criminal records will render your bid unsuccessful.
- Bidders (Individuals) must be registered on the Central Supplier Database (CSD) as individual service providers not as companies or entities. While bidders (individuals) may submit bids without a CSD registration at the time of tender closing, successful bidders (individuals) will be required to obtain and maintain a valid CSD registration as an individual before appointment (award) to the panel. Failure to provide proof of a valid individual CSD registration prior to appointment will result in the bidder not being appointed to the panel and the Provincial Treasury reserves the right to proceed with the appointment of other qualifying bidders (Individuals).

MR. N.I. KUNENE
ACCOUNTING OFFICER

23/07/2024
DATE:

provincial treasury

Department:
Provincial Treasury
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

TERMS OF REFERENCE

NWDF04/2026: APPOINTMENT OF A PANEL OF PROVINCIAL EXECUTIVE REPRESENTATIVES (INDIVIDUALS) FOR MUNICIPALITIES IN THE NORTH WEST PROVINCE FOR A PERIOD OF THREE (03) YEARS ON AS AND WHEN REQUIRED BASIS.

1. BACKGROUND

Section 139(5)(a) of the Constitution of the Republic of South Africa, 1996, requires the relevant Provincial Executive to impose a Financial Recovery Plan when a municipality is in a serious or persistent material breach of its obligations to provide basic services or meet its financial commitments.

In terms of Section 139(5)(c) of the Constitution, the Provincial Executive Council is required to implement the approved Financial Recovery Plan (FRP) and may appoint an EXCO representative to monitor implementation, facilitate coordination among stakeholders, provide support to the municipality, and report on progress made in achieving the objectives of the FRP.

The FRP Rescue Phase continues to be implemented across **seven (7) municipalities**, namely City of Matlosana, Naledi, Madibeng, Kgetlengrivier, Tswaing, Mamusa and Maquassi Hills local municipalities, while **two (2) municipalities** (Ramotshere Moiloa Local Municipality and Dr, RSM District Municipality) have progressed from the Rescue phase to Sustainability Phase of the FRP.

These municipalities continue to experience significant financial, governance, institutional, and service delivery challenges, requiring ongoing monitoring and support to ensure the successful implementation of recovery interventions.

The implementation of Financial Recovery Plans is a specialised function that requires individuals with extensive municipal local government experience. Provincial Executive Representatives play a critical role in coordinating stakeholders, monitoring implementation of recovery activities, identifying implementation bottlenecks, advising municipalities, and reporting progress to Provincial Treasury and National Treasury.

The appointment of Provincial Executive Representatives is therefore critical to support implementation, strengthen accountability, and improve coordination among all stakeholders involved in the recovery process. An urgent appointment is required to ensure continuity in the implementation of recovery measures at the above-mentioned municipalities.

2. PURPOSE

To appoint Provincial Executive Representatives to support the implementation of Financial Recovery Plans in municipalities under provincial intervention. These nine (9) municipalities (**Dr. Ruth Segomotsi Mompati District Municipality, Madibeng, Ramotshere Moiloa, Naledi, Mamusa, Maquassi Hills, City of Matlosana, Tswaing, and Kgetlengrivier Local Municipalities**) remain under mandatory intervention and continue to face significant financial and governance challenges that require dedicated monitoring, coordination, and support. The appointed Provincial Executive Representatives at these municipalities will be responsible for the performance of duties entrusted to them in line with the decision of the Provincial Executive Council to invoke the provisions of section 139(5) (a) and (c) of the Constitution of the Republic of South Africa, read together with section 139 of the Municipal Finance Management Act.

3. NATURE AND SUMMARY OF THE INTERVENTION

The Provincial Executive Council has adopted a resolution which communicated that municipalities which are in serious material breach of their obligations to meet their financial commitments as confirmed by the financial health assessment conducted in terms of Section 140(2) (c) of the Municipal Finance Management Act, must be placed under mandatory intervention in terms of the provisions of Section 139 of the Municipal Finance Management Act read together with Section 139(5) of Constitution of the Republic of South Africa.

The above serious material breach of municipal obligations can be attributed to amongst others the following factors:

a) A widespread lack of financial controls and project monitoring;
b) Deliberate lack of accountability by the political and administrative municipal leadership;
c) Accountability was not adequately practised and enforced by leadership and the failure of key controls continued;
d) Millions were spent to improve the outcomes, but there were no consequences for poor performance;
e) Deteriorating accountability and financial management coupled with weakened oversight is at the centre of the significant regressions in audit outcomes; and
f) Systemic breakdown in the discipline of financial controls.

These could be summarised into the following key common factors contributing to problems in municipal finance:

a) Weak or dysfunctional governance systems and institutions;
b) Poor leadership - both political and administrative;
c) Lack of effective monitoring and oversight; and
d) An obvious disregard for the legal framework knowing that unethical and corrupt behaviour will not be met with any consequences.

The mandatory intervention must also address political, financial management, governance and institutional arrangements as well as service delivery failures to ensure long-term sustainability of the municipality.

4. THE ARCHITECTURE OF THE INTERVENTION PLAN

The intervention plan contemplated must differentiate between three (3) distinct phases and must meet minimum standards of section 142 of MFMA Act that states that:

A financial recovery plan must be aimed at securing the municipality's ability to meets its obligations to provide basic services or its financial commitments, and such a plan, whether for a mandatory or discretionary intervention-

(a) must-

(i) identify the financial problems of the municipality;

(ii) be designed to place the municipality in a sound and sustainable financial condition as soon as possible;

(iii) state the principal strategic objectives of the plan, and ways and means for achieving those objectives;
(iv) set out a specific strategy for addressing the municipality's financial problems, including a strategy for reducing unnecessary expenditure and increasing the collection of revenue, as may be necessary;
(v) identify the human and financial resources needed to assist in resolving financial problems, and where those resources are proposed to come from;
(vi) describe the anticipated time frame for financial recovery, and milestones to be achieved; and
(vii) identify what actions are necessary for the implementation of the plan, distinguishing between actions to be taken by the municipality and actions to be taken by other parties; and
(b) may-
(i) provide for the liquidation of specific assets, excluding those needed for
(ii) provide for debt restructuring or debt relief in accordance with Part 3 of
(iii)provide for special measures to prevent unauthorised, irregular and
(iv)identify any actual and potential revenue sources.

***Phase 1* - A Rescue Phase** which will focus primarily on governance, institutional and service delivery issues which can also produce a relatively quick turn-around. A list of strategic, high-level and useful financial indicators will have to be identified for Phase 1 upon the completion of the status quo report. Indicators for service delivery in Phase 1 should ideally focus on ensuring visible waste management and sanitation service delivery improvements i.e., refuse removal in formal and informal areas, sewer spillages, curbing water losses, fixing of streetlights and road maintenance with particular emphasis on potholes also requires priority attention. However, as resources become available through better cash management, the collection of outstanding debt and the prioritisation of expenditure, service delivery issues can be addressed more comprehensively to secure the revenue base.

Phase 2 - Stabilisation Phase In this phase, a strong focus on cash, finances and financial management is still maintained, but greater attention is placed on the underlying service delivery, governance and institutional matters perpetuating the financial crisis in the municipality, such as the design of a fit for purpose organogram, plans to address the repairs and maintenance and renewal of infrastructure for the water and electricity network through which the municipality loses significant revenues, ensuring that the property valuation roll is updated and that all customers are billed accordingly and other similar measures.

Phase 3 – Sustainability Phase will focus on ensuring the long-term sustainability of the municipality. In this phase, much of the work done in Phases 1 and 2 will need to be institutionalised.

5. SCOPE OF WORK

The Provincial Exco Representatives (PERs) are appointed by the MEC for Finance to provide strategic support to municipalities, to implement the recovery plans. The implementation of these recovery plans is imposed by the Provincial EXCO at municipalities that are placed under mandatory intervention.

The Terms of Reference (TOR) of Provincial Executive Representatives emphasize the assumption of responsibilities in the implementation of Section 139(5)(a) and (c) of the Constitution, and in particular Section 139 (5)(c) where identified powers and functions of council and administrative powers and functions of the Municipal Accounting Officer are to be exercised and performed by the Provincial Executive Representative pursuant to the assumption of the responsibility for the implementation of the financial recovery plan as reflected in terms of Section 139 (5) (c) of the constitution. During the implementation of this intervention, with specific reference to the implementation of the Financial Recovery Plan (FRP) with specific focus on the four pillars of the FRP; namely: **finance, governance, institutional and service delivery,** the Municipal Council system of delegations consistent with all relevant and applicable legislation that governs municipality remains applicable subject to the limitations where necessary to the implementation of the FRP. The provincial EXCO Representative (PER) in executing his/her responsibilities based on the Terms of Reference will exercise such powers) and report to the Council on decisions executed pursuant to the implementation of the FRP.

The most critical function of the Provincial Executive Representative (PER) to be appointed is to assume the executive and administrative responsibilities of the municipalities under intervention, necessary to effectively implement the imposed mandatory financial recovery plan on behalf of the North-West Provincial Executive Council, to ensure that the recovery plans are implemented and that the municipalities are able to recover.

During the implementation of the Financial Recovery Plan, the Municipality's system of delegations remains in force, subject to the Terms of Reference, with the PER exercising the delegated powers and functions assigned under Sections 139(5)(a) and (c) of the Constitution and reporting to Council on decisions taken in support of the implementation of the Financial Recovery Plan.

The implementation of the FRP is in line with the PER terms of reference, which provides for three (3) key focus areas, and for the duration of their contracts:

5.1. KEY FOCUS AREAS OF THE PER

The following are three (3) key focus areas provided for the duration of the PER contract:

5.1.1. Strategic Leadership and Guidance

i. Issue directives and instructions to the accounting officer and relevant staff to implement a recovery plan;
ii. Introduce/implement necessary corrective and control measures including, but not limited to, control over the municipal bank accounts;
iii. Must be a compulsory signatory to the primary municipal bank account for monitoring and control purposes;
iv. Provide concurrence on any decision-making report processed by the accounting officer to any delegated authority (incl. Council/Mayor/EM);
v. Develop/implement adequate governance systems, processes and procedures, strategies and plans to give effect to implementation of a recovery plan;
vi. Review/reallocate resources and responsibilities to staff in consultation with the accounting officer;
vii. Facilitate recruitment and selection process to appoint staff including senior managers in the municipality;
viii. Develop HR capacity to a level where the municipality is able to exercise its functions in an economic, transparent, effective, efficient, and accountable manner;
ix. Oversee the timeous implementation of consequence management.

5.1.2. Reporting Responsibilities

i. Must account to the MEC for Finance for the duration of the intervention;
ii. Conduct quality assurance processes and submit monthly progress reports to MEC for Finance/Provincial EXCO/Municipal Council;
iii. Provide assurance to MEC for Finance, through periodic reports, that decisions of the Council/Executive Mayor /Mayor are consistent with the recovery plan;
iv. Maintain a record of decisions on the implementation of the recovery plan.

5.1.3. Internal/External Stakeholder Responsibilities

The Provincial Executive Representative (PER) shall serve as the primary strategic liaison between the municipality, Provincial Executive, Provincial Treasury, National Treasury and all relevant stakeholders to facilitate the effective implementation of the approved Financial Recovery Plan (FRP). In this regard, the PER shall:

Work closely with the National Treasury Municipal Financial Recovery Service (MFRS) Unit, Provincial Treasury, COGTA, SALGA and other relevant organs of state to coordinate and support the implementation of the approved Financial Recovery Plan.

i. Develop and implement a stakeholder engagement plan identifying all internal and external stakeholders whose participation is critical to the successful implementation of the Financial Recovery Plan.
ii. Facilitate collaboration and coordination between political leadership, municipal administration, organised labour, organised business, community structures, sector departments, state-owned entities, creditors, regulators and other strategic partners whose decisions or actions may influence the municipality's financial recovery.
iii. Facilitate a healthy and constructive working relationship between the political leadership and the administration, promoting sound governance, mutual accountability, effective decision-making and adherence to the respective constitutional and legislative roles of each component.
iv. Engage the Executive Mayor, Speaker, Council, Municipal Manager, Chief Financial Officer, senior management and organised labour to secure institutional ownership, commitment and accountability for the implementation of the Financial Recovery Plan.
v. Attend and participate in meetings of the Municipal Council, Executive/Mayoral Committee, Section 79 Committees, Municipal Public Accounts Committee (MPAC), Audit Committee, Budget Steering Committee, Executive Management Committee and other governance structures, where matters relating to the implementation of the Financial Recovery Plan are discussed.
vi. Facilitate intergovernmental engagements with district municipalities, neighbouring municipalities, provincial departments, National Treasury, sector departments and state-owned entities, including Eskom, Water Boards, SARS, pension funds and other strategic creditors, to remove implementation bottlenecks and resolve matters affecting municipal financial sustainability.
vii. Lead and facilitate strategic stakeholder engagements aimed at resolving implementation impediments, securing commitments, coordinating recovery actions and mobilising institutional support necessary to achieve the objectives of the Financial Recovery Plan.
viii. Facilitate meaningful public participation and stakeholder communication by ensuring that communities, organised business, civil society and other interested parties are appropriately informed of the objectives, progress and outcomes of the Financial Recovery Plan, where applicable.

ix. Identify and proactively address stakeholder-related risks that may impede implementation of the Financial Recovery Plan, including political instability, governance disputes, intergovernmental coordination failures, labour-related matters and institutional conflicts.
x. Provide strategic guidance and mediation to stakeholders where disputes, governance challenges or institutional constraints negatively affect implementation of the Financial Recovery Plan.
xi. Escalate unresolved matters to the Heads of Department, MECs, National Treasury or other competent authorities only after demonstrating that all reasonable stakeholder engagements, facilitation efforts and intervention mechanisms within the PER's mandate have been exhausted.
xii. Maintain a comprehensive stakeholder engagement register, documenting all engagements, issues raised, resolutions reached, commitments made, follow-up actions, outstanding matters and implementation progress.
xiii. Report monthly on stakeholder engagements undertaken, outcomes achieved, commitments secured, implementation risks identified, unresolved matters requiring escalation, and the measurable contribution of stakeholder interventions towards the successful implementation of the Financial Recovery Plan.
xiv. Assume the responsibility to implement the FRP as per the TOR in line with section 139(5)(a) and (c)

5.2. PER ROLES AND RESPONSIBILITIES

Intervention Team led by the PER is appointed to assume the responsibility to implement the imposed financial recovery plan in terms of Section 139(5)(c) of the Constitution at municipalities under provincial mandatory intervention. The PER will report to the MEC for Finance and MEC for COGHSTA on a quarterly basis and as when required to do so from time to time.

The PER will have the powers and functions listed below:

(a) Assume all executive functions of a municipal council necessary for effective implementation of the imposed FRP;
(b) Assume all statutory executive functions of the Mayor necessary for effective implementation of the imposed FRP;
(c) Assume all fiscal and financial functions at the municipality, including analysis of the monthly bank and budget statements of the municipality for monitoring purposes as an internal control measure, and give directives to the Municipal Manager on management of all the municipality bank accounts;

(d) Assume the functions referred to in section 67(1)(h) and schedule 2 of the Local Government: Municipal System Act, 2000, read with any other relevant legislative provisions dealing with disciplinary matters, including criminal and civil action;

(e) Monitor and review the municipality's cash flow position, bank reconciliations, payment plans, and compliance with cash management measures, and make recommendations on the utilisation of available cash resources necessary for effective implementation of the imposed FRP;

(f) Implement all governance systems and procedures including oversight over the administration;

(g) Ensure implementation of financial and operational systems, policies, and procedures;

(h) Assume all administrative functions of the Municipal Manager as provided for in section 55 of the Municipal Systems Act, 2000 necessary for the effective implementation of the FRP;

(i) Approve all decisions taken by the Municipal Manager or Acting Municipal Manager in terms of delegated or original authority;

(j) Implement the Financial Recovery Plan (FRP) imposed by the North-West Provincial Executive Council as approved by the MEC for Finance;

(k) Implement a system and processes to control and approval of all expenditures;

(l) Ensure implementation of the Local Government: Municipal Property Rates Act, 2004 (Act. No 6 of 2004), including preparing the general valuation roll (GVR), supplementary GVR and implementation thereof;

(m) Set out a specific strategy for effective implementation of the imposed FRP;

(n) Ensure that the Local Labour Forum (LLF) is functional; and that the resolutions implemented by the administration are not detrimental to the financial viability of the municipality and provision of adequate basic services;

(o) Review and process all pending and/or completed investigations affecting the municipality either by the municipality or by the province (if any) and ensure speedy finalization thereof in accordance with the imposed FRP;

(p) Identify the human resource gaps within the administration that will hinder the effective implementation of the FRP. With the support of provincial COGTA and Treasury, deploy key strategic human resources in the administrative component of the municipality;

(q) Mobilise sector departments for the effective implementation of the FRP including governance support to maximise functionality of the Executive Management Team;

(r) Perform the following functions as part of the Financial Recovery Plan:

   (i) Management of debtors including revenue enhancement and protection;

   (ii) Management of Creditors including prioritization of payments for critical services; assessment of contractual obligations of the municipality; to negotiate contractual payments and scope with service providers;

(iii) Improve the level and quality of service provision within the municipality;

(iv) Conduct continuous engagements with identified stakeholders;

(v) Continuous monitoring and evaluation of FRP implementation progress;

(vi) Measure FRP impact against set key performance indicators; and

(vii) Align senior management performance agreements with the FRP key performance indicators; and

(s) Participate in the Intergovernmental Structures and support the DDM District Champions appointed by the President and the NW Premier;

(t) The Provincial EXCO Representative (PER) to develop Protocols to give effect to the implementation of the Financial Recovery Plan (FRP).

6. PERFORMANCE INDICATORS

The performance of the Provincial Executive Representative (PER) shall be measured against clearly defined Key Performance Indicators (KPIs) aligned to the objectives of the approved Financial Recovery Plan (FRP), the intervention implementation plan, and the approved Service Level Agreement. Performance assessment shall focus not only on activities undertaken but, more importantly, on measurable outcomes, implementation progress, and the impact of interventions on the municipality's financial recovery. The performance indicators shall, amongst others, include:

- Effective coordination and acceleration of the implementation of prioritised Financial Recovery Plan activities across the four sustainability pillars, namely Governance, Institutional Capacity, Financial Management, and Service Delivery.
- Achievement of agreed implementation milestones and deliverables within approved timeframes.
- Demonstrated improvements in key financial sustainability indicators, including revenue collection, liquidity, creditor management, cash flow, budget funding, and financial governance.
- Facilitation of stakeholder engagements and resolution of implementation impediments affecting the Financial Recovery Plan.
- Provision of strategic guidance and technical support to the Municipal Council, Executive Mayor, Municipal Manager, Chief Financial Officer, senior management and relevant stakeholders.

- Quality, accuracy and timeliness of monthly progress reports and supporting evidence submitted to Provincial Treasury.
- Effectiveness in identifying implementation risks and proposing appropriate mitigation measures.
- Successful coordination of intergovernmental support initiatives involving Provincial Treasury, National Treasury, COGTA, SALGA, sector departments and other strategic stakeholders.
- Demonstrated improvements in governance, accountability, consequence management, audit readiness and compliance with applicable legislation.
- Progress made towards achieving the municipality's transition from the Rescue Phase to the Stabilisation Phase and, ultimately, long-term financial sustainability.

Provincial Treasury will undertake continuous performance monitoring through monthly reporting, structured review sessions, quarterly performance assessments, stakeholder feedback, and verification of implementation evidence. Performance will be assessed against approved milestones, agreed outputs, and measurable outcomes as contained in the Service Level Agreement and the implementation plan.

Where performance deficiencies are identified, Provincial Treasury may require the PER to submit a corrective action plan, revise implementation strategies, or take any other remedial measures necessary to improve performance. Persistent non-performance or failure to comply with the Terms of Reference may result in the termination of the appointment in accordance with the provisions of the Service Level Agreement.

7. OVERSIGHT, GOVERNANCE AND PROGRESS REPORTING

The implementation of the Financial Recovery Plan (FRP) shall be governed through a structured governance, monitoring and reporting framework designed to ensure effective coordination, accountability, timely decision-making, and the resolution of implementation challenges. The governance framework will comprise the following three (3) interrelated oversight structures:

- **Financial Recovery Plan Workstream Meetings** (Operational Level);
- **Technical Steering Committee** (Strategic Technical Oversight); and
- **Political Oversight and Monitoring Committee** (Council Oversight).

This governance structure will ensure that implementation challenges are addressed at the appropriate level and that matters requiring strategic or political intervention are escalated through clearly defined reporting lines.

7.1 Financial Recovery Plan Workstream Meetings

The Financial Recovery Plan Workstream Meetings shall constitute the primary operational implementation forum and shall meet at least **monthly**, or more frequently where circumstances require. The meetings shall be chaired by the Provincial Executive Representative (PER) and attended by the Municipal Manager, Chief Financial Officer, relevant Heads of Department, FRP activity owners, Provincial Treasury officials, COGTA representatives and any other officials responsible for implementing Financial Recovery Plan activities. The Workstream Meetings shall be responsible for:

- Monitoring the implementation of all approved Financial Recovery Plan activities across the four sustainability pillars, namely Governance, Institutional Capacity, Financial Management and Service Delivery.
- Reviewing progress against approved implementation plans, milestones and timeframes.
- Monitoring performance indicators and measurable outcomes.
- Identifying implementation risks, constraints and bottlenecks affecting progress.
- Developing corrective action plans to address implementation delays.
- Assigning responsibilities and implementation timeframes for outstanding activities.
- Coordinating municipal departments to ensure integrated implementation of the Financial Recovery Plan.
- Monitoring implementation of resolutions adopted during previous workstream meetings.
- Escalating unresolved operational matters to the Technical Steering Committee.
- Preparing monthly implementation reports for consideration by the Technical Steering Committee.

The Workstream Meetings shall maintain a detailed action register reflecting all decisions, responsible officials, implementation deadlines and progress achieved.

7.2 Technical Steering Committee

The Municipal Manager shall establish and chair a **Technical Steering Committee** as the municipality's primary management structure responsible for coordinating, monitoring and driving the implementation of the approved Financial Recovery Plan (FRP).

The Committee shall provide a structured platform for municipal management to review implementation progress, resolve operational challenges, coordinate support interventions and ensure accountability for the implementation of Financial Recovery Plan activities.

The Municipal Manager shall determine the composition of the Committee and invite relevant internal and external stakeholders whose participation is necessary to support the successful implementation of the Financial Recovery Plan. These may include the Provincial Executive Representative (PER), Provincial Treasury, National Treasury, COGTA, SALGA, sector departments, municipal senior management, organised labour, service providers and any other strategic stakeholders, where appropriate.

The Technical Steering Committee shall meet **at least monthly**, or more frequently as determined by the Municipal Manager, and shall be responsible for:

- Providing strategic and technical direction on the implementation of the Financial Recovery Plan.
- Monitoring implementation of approved Financial Recovery Plan activities against agreed milestones, performance indicators and implementation timeframes.
- Reviewing monthly progress reports submitted by responsible municipal officials and the Provincial Executive Representative.
- Monitoring the implementation of resolutions arising from the Financial Recovery Plan Workstream Meetings.
- Coordinating municipal departments to ensure an integrated and collaborative approach to Financial Recovery Plan implementation.
- Coordinating technical support provided by Provincial Treasury, National Treasury, COGTA, SALGA, sector departments and other stakeholders.
- Reviewing municipal financial sustainability indicators, governance performance, institutional capacity and service delivery improvements.
- Identifying implementation risks, operational constraints and systemic challenges affecting implementation and recommending appropriate corrective measures.
- Monitoring the implementation of commitments and resolutions arising from stakeholder engagements.
- Identifying matters requiring strategic intervention or escalation to the Political Oversight and Monitoring Committee.
- Preparing consolidated technical progress reports and recommendations for consideration by the Political Oversight and Monitoring Committee.

The Technical Steering Committee shall serve as the municipality's principal technical coordination and decision-support structure for the implementation of the Financial Recovery Plan. It shall strengthen institutional ownership of the recovery process, promote accountability among responsible officials, facilitate coordinated stakeholder support, and ensure that implementation challenges are identified and addressed timeously to accelerate the municipality's financial recovery. The Provincial Executive Representative shall provide strategic guidance to the Committee and advise on matters relating to the implementation of the Financial Recovery Plan, while respecting the statutory responsibilities of the Municipal Manager as Accounting Officer.

7.3 Political Oversight and Monitoring Committee

A Political Oversight and Monitoring Committee shall provide political oversight over the implementation of the Financial Recovery Plan. The Committee shall report directly to the provincial political oversight committee, where appropriate, engage the MEC for Finance and MEC responsible for Cooperative Governance on matters requiring joint intervention. The Committee shall comprise a multi-party-political leadership of the municipality. The responsibilities of the Political Oversight shall include:

- Providing political oversight over the implementation of the Financial Recovery Plan.
- Monitoring overall implementation progress against approved recovery objectives and milestones.
- Considering consolidated reports and recommendations submitted by the Technical Steering Committee.
- Monitoring the implementation of directives issued by the Provincial Executive.
- Resolving high-level political, governance and intergovernmental matters affecting implementation.
- Facilitating political commitment and stakeholder alignment necessary to accelerate implementation.
- Monitoring implementation of resolutions adopted by the Committee.
- Escalating matters requiring consideration by the Provincial Executive Council, MECs or National Treasury.
- Monitoring the municipality's progression through the Rescue, Stabilisation and Sustainability Phases of the Financial Recovery Plan.
- Providing strategic direction on matters that may materially affect the municipality's financial recovery.

7.4 Progress Reporting

The Provincial Executive Representative shall submit comprehensive monthly progress reports to Provincial Treasury in accordance with the prescribed reporting framework. The monthly reports shall include, as a minimum:

- Progress against each Financial Recovery Plan activity and implementation milestone.
- Measurable outcomes achieved during the reporting period.
- Progress within each of the four Financial Recovery Plan pillars.
- Financial sustainability indicators and trends.
- Stakeholder engagements undertaken, resolutions reached and commitments secured.
- Strategic guidance and technical support provided to the municipality.
- Governance, institutional and service delivery improvements realised.
- Risks, implementation constraints and proposed mitigation measures.
- Matters requiring escalation to the Technical Steering Committee, Heads of Department, MECs or the Political Oversight and Monitoring Committee.
- Planned activities and priorities for the ensuing reporting period.

Provincial Treasury shall review and assess each monthly report and provide written feedback to the Provincial Executive Representative. The feedback shall highlight implementation progress, measurable outcomes, implementation gaps, risks requiring management attention, and recommendations for strengthening implementation.

8. TIMING OF THE ASSIGNMENT

All work is to be carried out in accordance with the intervention process plan, and the financial recovery plan (FRP) within stipulated timeframes, which is for a period of thirty-six (36) months. The Provincial Executive Representative must be fully available and engaged for the duration of the project once deployed or assigned to a particular municipality. Once deployed/assigned, the PER must not take any assignment other than the assigned engagement.

9. REMUNERATION FRAMEWORK

The remuneration of the Provincial Executive Representative (PER) is determined in accordance with the Department of Public Service and Administration (DPSA) remuneration framework for members of the Senior Management Service (SMS) specifically Chief Director, as amended from time to time, and approved by the Provincial Treasury.

For purposes of implementing mandatory and voluntary Financial Recovery Plans, municipalities shall be grouped according to their municipal category, with the applicable annual remuneration package determined as follows:

Municipal Category	Annual Remuneration 2026/27 (All Inclusive)
B1	R1 804 284
B3	R1 601 685
C2	R1 699 974

The above remuneration is effective once deployment to municipalities is made and work is done. The Cell Phone and Data costs to a maximum of R3000.00 per month, will be reimbursed upon submission of a valid tax invoice. Provincial Treasury will cover official travelling, subsistence and accommodation costs of the Provincial Executive Representatives incurred during the performance of their duties in terms of this intervention project in line with PFMA, applicable SCM Instruction note and Cost Containment Measures related to travel and subsistence. PERs will be responsible for own accommodation costs where they will be placed/deployed, with no relocation costs occasioned by relocation/redeployment. Adjustments will be based on DPSA annual adjustments rates for SMS.

NB: Other municipalities are currently being assessed in terms of their financial health and service delivery capabilities, and those to be found to be in financial distress and crisis will be added to the list.

Provincial Treasury further undertakes to pay out in full, within thirty (30) days, all valid claims for work done to its satisfaction upon submission of a substantiated claim. Payment will be effected monthly, subject to submission of a valid claim with the relevant supporting documents.

10. DURATION OF THE CONTRACT

i. The duration of this panel is for a period of thirty-six (36) months and individuals in the panel will only be remunerated based on their deployment to municipalities
ii. Upon placement in a municipality, individuals will be required to enter into a performance agreement with the Head of Department or his delegate.

11. EVALUATION

Evaluations will be conducted in three phases as indicated below:

Phase I: Initial screening process

- The process would verify if the required documents as stated on the mandatory requirements have been submitted.

Phase II: Technical Evaluation Criteria for CVs

- Individuals will be evaluated strictly according to the evaluation criteria stipulated in the Terms of Reference.
- Individuals must, as part of their application documents, submit supporting documentation for all technical requirements as indicated hereunder.

Technical / functional Requirements	Scoring	Weight allocated	Total Points
Qualification in any of the following fields: • Financial Management/ Accounting / Economics • Public Administration • Business Management • Law • Political Science	Post Graduate Degree or NQF Level 8 or above	40	**40**
	Bachelor's Degree / Advanced Diploma or NQF7	30	
Demonstrated experience as an Accounting Officer/CEO in a public sector (National, Provincial, local, state owned enterprises)	8 years or more	60	**60**
	5 - 7 years	40	
Demonstrated experience as a Chief Executive Officer in a Private sector environment	8 years or more	40	
	5 - 7 years	20	
TOTAL POINTS			**100**

Only individuals who obtain a minimum of 70% threshold out of the 100 points for technical evaluation criteria will be considered for an interview session.

Phase III: Technical assessment and interview session

- Technical assessment and interviews will be used to further verify the individual's knowledge, experience and abilities.

12. MANDATORY REQUIREMENTS

Individuals must submit the following information, non-submission of one of which will lead to disqualification:

i. All individuals must submit a recently updated CV in their capacity as individuals, with a minimum of three contactable references and clearly indicating start and end date for each position.

ii. All academic qualifications must be supported by copies of actual qualifications/ certificates.

iii. In respect of all foreign qualifications evidence of endorsement by the South African Qualifications Authority (SAQA) must be provided/ submitted with the bid.

iv. All individuals must disclose any criminal / disciplinary case pending against them (See attached form).

v. Standard bidding document 1 - Invitation to bid

vi. Standard Bidding document 4 – Bidders declaration of interest must be fully completed and signed ***(The new SBD4, effective 1st August 2026, will be applicable for this tender. Attached hereto for convenience)***

13. BIDS VALIDITY PERIOD

Bids will be valid for a period of ninety (90) days.

14. DURATION OF CONTRACT

- The duration of this tender will be for a period of three (3) years from the date of appointment and successful individuals will be required to sign SBD 7.2 contract form.
- Upon appointment in the panel, individuals will be required to enter into a Memorandum of Agreement.
- Upon placement in a municipality individuals will be required to enter into a Service Level Agreement.

15. CONDITIONS OF BID

i. Late applications/ bids will not be considered. Please note that the applications/ bids are late if they are received at the address given in the bid document after the bid closing date and time.
ii. Where applicable, all the relevant forms attached to this bid document must be completed and signed in ink by the applicant.
iii. Successful individuals must be in a position to commence work within five (5) calendar days of the awarding of an assignment contract.
iv. Individuals will be required to undergo compulsory screening
v. General Conditions of Contract (GCC) are also applicable to this tender.
vi. Misrepresentation of facts and criminal records will render your bid unsuccessful.
vii. Bidders (Individuals) must be registered on the Central Supplier Database (CSD) as individual service providers not as companies or entities. While bidders (individuals) may submit bids without a CSD registration at the time of tender closing, successful bidders (individuals) will be required to obtain and maintain a valid CSD registration as an individual before appointment (award) to the panel. Failure to provide proof of a valid individual CSD registration prior to appointment will result in the bidder not being appointed to the panel and the Provincial Treasury reserves the right to proceed with the appointment of other qualifying bidders (Individuals).

16. ALLOCATION OF WORK

Successful inclusion on the Provincial Executive Representative (PER) Panel does not constitute a guarantee of appointment. Appointments shall be made only as and when a need arises, subject to the approval of the Accounting Officer, the availability of funds, and the specific requirements of the Financial Recovery Plan intervention.

In accordance with the applicable Supply Chain Management prescripts and the objective criteria contemplated in section 2(1)(f) of the Preferential Procurement Policy Framework Act, Provincial Treasury may allocate work to a panel member based on one or more of the following deployment considerations:

- **Continuity of the Financial Recovery Intervention**
- **Performance on Current or Previous Assignments**
- **Municipal-Specific Knowledge**

- **Equitable Distribution of Assignments**
- **Independence and Conflict of Interest**
- **Operational Requirements of Provincial Treasury** including urgency of the intervention;

17. CANCELLATION

Provincial Treasury reserves the right to cancel the contract if the Provincial Executive Representative fails to adhere to the conditions of the contract. On termination of the contract for whatever reason, the individual shall on demand deliver, without the right to retention, all documents and information gained in terms of this agreement.

18. ENQUIRIES

For more information, please contact the following:

Contact Person 1 : Mr. Tom Mkhize (**SCM Related Issues)**

Acting Director: Supply Chain Management

Email: TMkhize@nwpg.gov.za

Contact Person 2 : Ms. Linda Nengovhela **(Technical Issues)**
Chief Director: MFMA Support
Email: lramatlhape@nwpg.gov.za

SBD 1

INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF PROVINCIAL TREASURY

BID NO: **NWDF04/2026** **CLOSING DATE:** **28th AUGUST 2026** **CLOSING TIME:** **11:00 AM**

DESCRIPTION: APPOINTMENT OF A PANEL OF PROVINCIAL EXECUTIVE REPRESENTATIVE (INDIVIDUALS) FOR MUNICIPALITIES IN THE NORTH WEST PROVINCE FOR A PERIOD OF THREE (3) YEARS ON AS AND WHEN REQUIRED BASIS

The successful bidder will be required to fill in and sign a written Contract Form (SBD 7.2)

BID DOCUMENTS MAY BE DELIVERED AT:

SUPPLY CHAIN MANAGEMENT OFFICE,
2nd FLOOR, GARONA BUILDING,
DR. JAMES MOROKA DRIVE,
MMABATHO
2735

Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration.

The bid box is generally open 24 hours a day, 7 days a week.

ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS – (NOT TO BE RE-TYPED)

THIS BID IS SUBJECT TO THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT

THE FOLLOWING PARTICULARS MUST BE FURNISHED
(FAILURE TO DO SO MAY RESULT IN YOUR BID BEING DISQUALIFIED)

NAME OF INDIVIDUAL ……………………………………………………………………………

POSTAL ADDRESS ……………………………………………………………………………

STREET ADDRESS ……………………………………………………………………………

TELEPHONE NUMBER CODE………………… NUMBER……………………………………………

APPOINTMENT OF A PANEL OF PROVINCIAL EXECUTIVE REPRESENTATIVE (INDIVIDUALS) FOR MUNICIPALITIES IN THE NORTH WEST PROVINCE FOR A PERIOD OF THREE (3) YEARS ON AS AND WHEN REQUIRED BASIS

CELL PHONE NUMBER ……………………………………………………………………………………

FACSIMILE NUMBER CODE ……………. .NUMBER…………………………………………………

VAT REGISTRATION NUMBER ……………………………………………………………………..

HAS A TAX CLEARANCE CERTIFICATE BEEN SUBMITTED (SBD 2)? YES/NO

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS/SERVICES OFFERED BY YOU? YES/NO
(IF YES ENCLOSE PROOF)

SIGNATURE OF BIDDER ……………………………………………………………………………………

DATE ……………………………………………………………………………………………

CAPACITY UNDER WHICH THIS BID IS SIGNED ……………………………………………………

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

1.1 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, 1996 (Constitution), and further expressed in the various applicable legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

1.2 If a person is 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. DECLARATION ON EMPLOYMENT BY ORGAN OF STATE

2.1 Is the bidder, or any of the directors / trustees / shareholders / members / partners of the bidder employed by an organ of state, as defined in section 239 of the Constitution? **YES/NO**

2.2 If YES, furnish particulars of the names, individual identity numbers, in the table below:

Full Name	**Identity Number**	**Name of organ of state**

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.

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

2.3.1 If so, furnish particulars:

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

2.4 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**

2.4.1 If so, indicate all companies registered in the CSD in the table below:

Supplier registration number (MAAA)	Status (active/inactive/deleted)

Failure to disclose all CSD-registered active companies linked to all Directors will lead to disqualification.

3 GENERAL DECLARATION

I, ..., the undersigned, 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 to be false.

3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor.

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

3.5 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

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

I CERTIFY THAT THE ABOVE IS CORRECT.

I ACCEPT THAT THE PROCURING INSTITUTION MAY REJECT THE BID OR TAKE APPROPRIATE ACTION AGAINST ME IF THIS DECLARATION IS FALSE.

………………………………	…………………………………………
Signature	Date
………………………………	…………………………………………
Designation	Name of bidder

THE NATIONAL TREASURY

Republic of South Africa

GOVERNMENT PROCUREMENT:

GENERAL CONDITIONS OF CONTRACT

July 2010

GOVERNMENT PROCUREMENT

GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

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

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

- The General Conditions of Contract will form part of all bid documents and may not be amended.

- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if (applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

TABLE OF CLAUSES

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 (NIP) Programme

33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.

34 Prohibition of Restrictive practices

34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).

34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

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.