

# CENTRAL KAROO DISTRICT MUNICIPALITY



## DEPARTMENT: STRATEGIC SERVICES

TENDER: CKDM016 -2019 / 2020

SUPPLY, DELIVERY, INSTALLATION, MAINTENANCE AND FINANCING OF OFFICE AUTOMATION  
EQUIPMENT FOR A PERIOD OF 3 YEARS

**ISSUED BY:**

Mr S. Jooste  
Municipal Manager  
Central Karoo District Municipality

**PREPARED BY:**

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Supply Chain Management  
Central Karoo District Municipality

**CONTACT DETAILS**

Tel: (023) 449 1000  
Fax: (023) 415 1253  
E-mail: [manager@skdm.co.za](mailto:manager@skdm.co.za)

Name of Bidder:.....

Tendered Amount: .....

Qc

<b>ADDRESS</b>	63 Donkin Street, Beaufort West, 6970 (Opposite ABSA Bank)				
<b>CLOSING DATE</b>	20 March 2020	<b>CLOSING TIME</b>	12H00	<b>CLOSING VENUE</b>	63 Donkin Street (Opposite ABSA Bank)

### Evaluation Criteria for the Bid

Only bids which are completely responsive to the terms of the bid documents will qualify for evaluation. The following tests for responsiveness shall be performed:

	Item	Responsiveness Test	Attached Yes/No
	Central Supplier Database Registration	Attached proof of registration	
	Declaration of interest	Completion Compulsory	
	Bidder's Tax Clearance Certificate / PIN	Attachment Compulsory	
	Proof of Payment of Municipal Rates and Taxes	Copy of latest Municipal Rates & Taxes account attached. Compulsory.	
	Proof of Payment of Municipal Rates and Taxes	Copy of latest Municipal Rates & Taxes account of all directors/owners. Compulsory	
	CIPRO document	Compulsory	
	BBBEE Certificate <b>COMPULSORY</b>	Compulsory if bidder wants to claim points. <b>ORIGINALLY CERTIFIED.</b>	
	Authority for Signatory	Completion or Attachment of Resolution	
	Declaration i.t.o. Bidder Past SCM Practices	Completion Compulsory	
	Certificate of Independent Bid Determination	Completion Compulsory	
	Contract Form	Completion Compulsory	

**Non-Compliance with anyone of these minimum requirements will lead to immediate disqualification.**

The value of this bid is estimated not to exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable

A	CATEGORY	WEIGHT	WEIGHT	SCORE
	PRICE: < R 50 000 000 = 80/20 > R 50 000 000 = 90/10	80	90	
B	BBBEE CERTIFICATE	20	10	
	Level ..... contributor			
	<b>TOTAL SCORE</b>			

# **CORPORATE SERVICES.**

TENDER: CKDM016 – 2019/2020

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## TENDER REQUEST

### **CKDM016 – 2019/2020: SUPPLY, DELIVERY, INSTALLATION, MAINTENANCE AND FINANCING OF OFFICE AUTOMATION EQUIPMENT FOR A PERIOD OF 3 YEARS**

The Central Karoo District Municipality hereby invites suitably qualified bidders to tender for the above mentioned

Documents can be obtained from Alicia Gouws / Michael Kennedy at Tel number 023-449 1000 / 1024 and will be available from **18 February 2020**. A non-refundable deposit of R150, 00 is payable for each bid.

Queries relating the specifications must be addressed to Director Corporate and Strategic Services, Mr. Johannes Jonkers via email at [manager@skdm.co.za](mailto:manager@skdm.co.za) or 023 449 1000

The bid must be valid for a period of 90 (ninety) days after the closing date. The bid will be subject to Council's Supply Chain Management Policy, the Preferential Procurement Policy Framework Act and the Amended Preferential Procurement Regulation, 2017. The 80/20 preferential points system will be applicable. Bidders must be registered on the Central Supplier Database.

Tenders must be sealed and externally endorsed with **tender number "CKDM016-2019/2020 and description"** and placed in the Tender Box at the offices of the Central Karoo District Municipality (opposite ABSA bank), at 63 Donkin Street, Beaufort West not later than **12H00 on 20 March 2020**, when it will be opened in public at the offices of the Central Karoo District Municipality.

It is the responsibility of the tenderer to ensure that tenders are placed in the tender box before the closing date and time.

Late, incomplete, faxed, emailed and/or unmarked tenders will not be accepted. Tenders may only be submitted on the Tender documentation that is issued.

Council is not obliged to accept the lowest or any tender and reserves the right to accept any tender or part thereof.

**S JOOSTE**  
Municipal Manager  
Central Karoo District Municipality  
63 Donkin Street/Private Bag X560  
BEAUFORT WEST  
6970

# SUPPLY, DELIVERY, INSTALLATION, MAINTENANCE AND FINANCING OF OFFICE AUTOMATION EQUIPMENT

## SCOP OF WORKS

### GENERAL

#### What Central Karoo District Municipality requires:

<b>Central Karoo District Municipality requirements Specifications</b>
<b>Print, Scan, Copy and Fax Devices</b>
<ul style="list-style-type: none"><li>✓ Provide new devices to Central Karoo District Municipality`s on demand as per reviewed service usage reports;</li><li>✓ Central Karoo District Municipality will only be procuring services from the successful bidder;</li><li>✓ Provide username and password / PIN controlled printers with software that records all activities performed by an employee on the printer.</li><li>✓ Provide, install, maintain and support all devices procured in this tender by Central Karoo District Municipality</li></ul>
<b>Maintenance and support solutions</b>
<p><b>OPTIONAL</b> on-site dispatched service – Mission critical devices must be replaced within 4 hours and non-critical devices within 24 hours after call has been logged;</p> <ul style="list-style-type: none"><li>✓ When repair of a device will be for more than 3 days, bidder must provide the same or similar back-up machine free of charge to the municipality. (loan unit)</li><li>✓ On call support – Response must be immediate, and if the device cannot be fixed, then On-site dispatched service must be activated; and</li></ul> <p>An SLA for the services provided to be entered into with Central Karoo District Municipality</p>
<b>Helpdesk and Incident Management Software</b>
<ul style="list-style-type: none"><li>✓ The service provider (SP) will provide software that will be used to capture, track, monitor, resolve and escalate any problem reported with the equipment (printer, scanner, and workstation) deployed within the Central Karoo District Municipality environment.</li></ul>

## **DEPARTMENT: CORPORATE SERVICES SPECIFICATIONS – PHOTOCOPY MACHINES.**

### **1) Specifications**

What the Central Karoo DM requires.

- \* Bidder to provide related consulting services, equipment, maintenance, support, parts, printer consumables (toner) and staples.
- \* Paper excluded.
- \* All devices must be new devices.
- \* Bidder to provide their own hardware.
- \* Devices must have the following standard functions plus non-standard functions as per table, except where indicated otherwise.
- \* Costing must be per page printing for A4 size and black/colour at an agreed rate.
- \* All toner, maintenance, support and parts included in cost per copy/print based on A4 size.
- \* Minimum 3 years contract period with 0% escalation; The machine will remain under the ownership of the service provider with the provision to end the maintenance contract at any time.
- \* Installation on Computers and Laptops.
- \* Bidder to install toner and remove excess (waste) toner and must be replaced within 24 hours from time of notice.

### **ALL DEVICE TYPES MUST HAVE THE FOLLOWING STANDARD FUNCTIONS PLUS NON STANDARD FUNCTIONS AS PER TABLE EXCEPT WHERE INDICATED OTHERWISE.**

- \* Duplex document feeder and back to back printing
- \* Minimum RAMS 2 GB
- \* 250GB Hard Drive
- \* Ethernet 100/1000 Base TX – TCP/IP Protocol
- \* Hi-Speed USB option
- \* Minimum 35 pages per minute/Colour – Minimum 65 pages per minute/Black & White.
- \* 2 x 500 paper feed units – 150 bypass
  
- \* Fax unit
- \* Touch Screen and Pin code access
- \* Network printing and scanning device – Drivers included
- \* Compatible with 32/64 bit professional Windows XP7/8/8/.1/10/server 2008 R2 std and Servicer 2012 R2 std and server 2016.
  
- \* All devices must have a compatible UPS to maintain the fluctuations of electricity.

Functionality	Minimum specifications	Machine Offered
<b>Make &amp; Model</b>		
Copy	Average <b>8 000</b> copies monthly – Colour Average <b>15 000</b> copies monthly – Black & White	
Duplex Print	Black and White - Print speed 65 pages per minimum Colour – Print speed 35 pages per minimum	
Fax	Transmission Speed Max 3 Seconds	
Scan	High Quality – Max scan 10 seconds, Colour Scan Scan to folder and Email	
Memory	1 GB minimum	
Scan once Copy Made	Yes	
Duplexing	Yes	
Sheet Tray	250 Sheet tray minimum	
Auto reverse document feeder	Yes	
By-pass tray	50 Sheets minimum	
Pager per Minute	35 Pages per minute minimum – Colour 65 Pages per minute minimum – Black & White	
Scan to e-mail	Yes	
Fax from PC	2 GB Memory minimum	
USB Interface	yes	
Network Capability	Yes	
A4	Yes	
Enlarge and Reduce	Yes	
Insurance	Yes	
Document Management Facility	Pin Code Activated [Optional]	

Specifications:-

The following minimum requirements must be met:

Department of Corporate & Strategic Services			
Functionality	Minimum Specification Required	Product Offered	Comply/Non Comply Official use only
Copier	Digital		
3 Colour Printing 1 Black & White	Auto select Colour Auto select Colour printing		
Enlarge/Reduce Capability	25% - 400%		
Stamping capability			
Duplex/combine capability			
User Code Management capability	Quota setting		
Monthly copies	Average 15 000 [Black & White] Average 8 000 [Colour]		
Copy Speed	Not less than 65 pages/min – Black & White Not less than 35 pages/min - Colour		
Multi copy	Up to 9999 or more		
Warm-up time	1 minute or less		
First output speed	Maximum 6 seconds		
Power source	220-240 Volts		
Input capacity; Standard	Not less than 3 500 sheets (A4)		
Large capacity paper tray	Not less than 3 500 sheets (A4)		
By-pass tray	Not less than 100 sheets (A4 + A3)		
Output capacity	Not less than 3000 sheets		
Paper size	A6 – SRA3		
Paper weight	52 – 250 g/m2		
By-pass tray	52 – 300 g/m2		
Printer			



<b>Memory HDD</b>	4GB Minimum		
<b>Printer language/resolution</b>	1200x 1200 dpi		
Adobe Post Script III	1200x 1200 dpi		
PCL 5e/6	300 / 600 dpi		
<b>Network protocols</b>	TCP/IP, IPX/SPX Ester Talk, net BEUI		
<b>Supported operating systems</b>	Windows XP, Vista, Windows 7, Windows 8, Windows 10, Linux OXS 10 or later		
<b>Interface: Standard</b>	Bi-directional IEEE 1284 ECP		
	Ethernet 100 base-TX, Ethernet 1000 base-T Option: Bi-directional IEEE 1284, Wireless LAN (IEEE) 802.11a/b/g/n), Bluetooth		
<b>Option</b>	IEEE 1394		
	USB 2.0		
	Wireless LAN (IEEE 802.116)		
<b>Software</b>	Network printing Monitor		
	Web Status Monitor		
	Network scanning and routing software		
<b>Maintenance Routine Services</b>	To be available when needed during office hours.		
<b>Breakdown</b>	Not more than 3 hours response time from log of call		
<b>Compulsory Extra's</b>	<b>High volume scanner</b>		
	100 Original per minute Scan to USB		
<b>Scanner</b>			
Resolution (minimum)	1200-4000 dpi		
Maximum Original size	A3		
Output format	PDF, TIFF, JPEG, Multi page TIFF		
Scan to e-mail	Via SMTP Gateway or TCP/IP		
Drivers	Twain and WIA		

<b>Document Feeder</b>	Capacity: Not less than 100 Sheets (A3)		
	Speed not less than 120 sheets / min (A4)		
	Auto reverse capability		
<b>Stapler</b>	100 Sheet		
Finisher	3000 Sheet finisher		
Optional Extra's	2 Hole punch (Bidders must indicate the maximum punching capacity (number of sheets))		

**THE MUNICIPALITY CURRENTLY NEED THE FOLLOWING:-**

Description

- 1) A/4A3 – Black / Colour Print Only
  - a) Sorting function {rotation}
  - b) Minimum 65 pages per minute printing – Black & White; Minimum 35 pages per minute printing – Colour.
  - c) Two hole puncher
  - d) Staple function

**ADDITIONAL EQUIPMENT**

The municipality reserves the right to lease additional devices from the successful bidder, for the remainder of the 3 year period. If devices are needed within the first two years new devices must be provided. 12 months of the contract devices to be required in the last, such devices may be refurbished unit and will be leased on a month to month basis.

**MANUFACTURER'S SPECIFICATIONS**

- The bid documents must include a copy of the Manufacturer's manual (Marketing Brochure).
- Any of the manufacturer's options which are stated as a minimum requirement should be factored into the offer and bidders must clearly indicate this fact.

**INSURANCE**

Bidder will be responsible for insuring the machines and will be covered by bidder. Premiums must be included in the rental amount.

### **SUB-CONTRACTING**

Services for machines must be rendered by successful bidder and not sub contracted to other service provider.

### **DELIVERY**

The quote must be valid for 120(one hundred and twenty) days and delivery and installation min 60 (sixty) days from order has been received.

### **PRICE**

Bidder must provide a fix price per device for lease and for 3 year period as per pricing schedule. The supplier will be responsible for all additional costs incurred should the goods not comply with the specifications. All quotes shall be nett and include for all costs and **VAT**.

### **TERMS OF PAYMENT**

The Bidder shall clearly stipulate his terms of payment. Please note that no advance payment will be considered.

### **WARRANTIES & GUARANTEES**

Bidders must provide full particulars regarding warranties, guarantees and operating guides.

### **ACCEPTANCE**

The Municipality is not bound to accept any tender and reserves the right to take up all or a part of a bid. Some of the machines contracts will only commence in the new financial year of the municipality (July 2019) and is depended on the availability of funds.

### **ACCREDITED DEALERSHIP**

Bidder must submit a letter stating proof of accredited dealership for office automation. Bidders must submit proof that the dealership has an established site office with a technician based in Beaufort West. The following are required as proof:

#### **Site Office**

- **Proof of address of site office (Municipal Account)**
- **Proof of Ownership / Tenancy**

#### **Technician:**

- **Proof of residential address (Municipal Account)**
- **Proof of Ownership / Tenancy**

**EVALUATION CRITERIA FOR THE BID**

- Please take note that the bid will be evaluated in terms of Council's Supply Chain Management and Preferential Procurement Policies.
- Only bids which are completely responsive to the terms of the bid documents will qualify for evaluation.

**Non-Compliance to the minimum requirements will lead to immediate disqualification.**

**By signing this page, I declare that I have read, and understand, the *Terms of Reference on pages 5-12***

**Signature of bidder .....**

# PRICING SCHEDULE

TYPE OF DEVICE	FREQUENCY	QUANTITY	FIXED RATE			TOTAL
			YEAR 1	YEAR 2	YEAR 3	
A4/A3 Colour printer	Fix rate per device for rental per month	3				
Colour copy	Cost per copy					
A4/A3 Black & White printer only	Fix rate per device for rental per month	1				
Black and white copy	Cost per copy					

Signature of bidder.....

## COMPANY'S / PERSONAL DETAILS

The following contractor details schedule must be completed to ensure that the prerequisite requirements to tendering are met.

Registered Company Name:			
Central Supplier Database Number (MAAA number)			
Contact Person:			
Cell phone number:		Office Number	
Fax number:		e-mail address	
Company Physical Address:			
Company Postal Address:			
Company Registration Number:			
VAT Number: (if registered)			
Bank Name and Branch:			
Bank Account Number:			
Name of Account Holder:			

<b>Name of Bidder :</b>			
<b>Position:</b>			
<b>Signature :</b>		<b>Date :</b>	

## AUTHORITY FOR SIGNATORY

Details of person responsible for Tender process

Name .....

Contact number ( ) .....

Address of office submitting the Tender .....

.....

.....

Telephone no ( ) .....

Fax no ( ) .....

E-mail address .....

Signatories for close corporations and companies shall confirm their authority by attaching to this form a **duly signed and dated original or certified copy** of the relevant resolution of their members or their board of directors, as the case may be.

"By resolution of the board of directors passed on *(date)* ....."

Mr. ....

has been duly authorized to sign all documents in connection with the Tender for Contract Number .....and any Contract which may arise there from on behalf of

(BLOCK CAPITALS) .....

.....

.....

SIGNED ON BEHALF OF THE COMPANY .....

IN HIS CAPACITY AS .....

DATE .....

FULL NAMES OF SIGNATORY .....

AS WITNESSES 1. ....

2. ....

**DECLARATION OF INTEREST**

1. No bid will be accepted from persons in the service of the state<sup>1</sup>.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.
3. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

3.1	Full Name	
3.2	Identity Number	
3.3	Company Registration Number	
3.4	Tax Reference Number	
3.5	Vat Registration Number	
3.6	CIDB Registration number and grading	

3.7 Are you presently in service of the state\* **YES / NO**

3.7.1 If so, furnish particulars.....  
 .....  
 .....

3.8 Have you been in the service of the state for the past twelve months? **YES / NO**

3.8.1 If so, furnish particulars.....  
 .....  
 .....



3.9 Are you connected with any person in the service of the state? **YES / NO**

3.9.1 If so, state particulars.....  
.....

3.10 Do you, have any relationship (family, friend, other) with person in the service of the state and who may be involved with the adjudication of this bid? **YES / NO**

3.10.1 If so, state particulars.....  
.....  
.....

3.11 Are you, aware of any relationship (family, friend, other) between the bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid?

**YES / NO**

3.11.1 If so, state particulars.....  
.....  
.....

3.12 Are any of the company's directors, managers, principle shareholders or stakeholders of stakeholders in service of the state? **YES / NO**

3.12.1 If so, furnish particulars.....  
.....  
.....

3.13 Are any spouse, child of parent of the company's directors, managers, principle shareholders or stakeholders in service of the state? **YES / NO**

3.13.1 If so, furnish particulars.....  
.....  
.....

3.14 Do you or any of the directors, trustees, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract **YES/NO**

3.14.1 If yes, furnish particulars:

Full details of directors / trustees / members / shareholders.

<b>Full Name</b>	<b>Identity Number</b>	<b>Capacity in company</b>

**DECLARATION**

I, THE UNDERSIGNED (NAME).....  
CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS CORRECT.  
I ACCEPT THAT THE STATE MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO  
BE FALSE.

.....  
**Signature**

.....  
**Date**

.....  
**Capacity**

.....  
**Name of Bidder**

---

<sup>1</sup>MSCM Regulations: “in the service of the state” means to be –

- (a) a member of –
  - (i) any municipal council;
  - (ii) any provincial legislature; or
  - (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature.

<sup>2</sup> Shareholder” means a person who owns shares in the company and is actively involved in the management of the company or business and exercises control over the company.

## 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 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. 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](http://www.sars.gov.za).
3. 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.
4. The original Tax Clearance Certificate must be submitted together with the bid. Copies of the Tax Clearance Certificate will only be valid if the bidder is registered on the Central Karoo District Municipality's accredited supplier database, which will contain the original Tax Clearance Certificate. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid.
5. In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.
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](http://www.sars.gov.za).

## **PROOF OF PAYMENT OF MUNICIPAL RATES AND TAXES**

In terms of Council's Supply Chain Management Policy Paragraph 9.21.1 (c), the Head of Department must check whether "any municipal rates and taxes or municipal service charges owed by a bidder or any of its directors to the municipality or municipal entity, or to any other municipality or municipal entity, are not in arrears"

### **PLEASE ATTACHED TO THIS FORM**

**The recent municipal account of the Company that is bidding as well as the municipal account of each Director on the CIPRO of the Company. Include a copy of the CIPRO to ensure all of the Directors accounts has been received.**

**Failing to include all of the above accounts will mean that your bid will not be considered as it will be regarded as non-compliant.**

**THIS IS COMPULSORY.**

**SIGNED ON BEHALF OF THE TENDERER: .....**

**PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017**

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

**NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.**

**1. GENERAL CONDITIONS**

1.1 The following preference point systems are applicable to all bids:

- 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

- a) **The value of this bid is estimated not to exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable; or**
- b) Either the 80/20 or 90/10 preference point system will be applicable to this tender

1.3 Points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contributor.

1.4 The maximum points for this bid are allocated as follows:

	<b>POINTS</b>
<b>PRICE</b>	80
<b>B-BBEE STATUS LEVEL OF CONTRIBUTOR</b>	20
<b>Total points for Price and B-BBEE must not exceed</b>	<b>100</b>

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

## 2. DEFINITIONS

- (a) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
  - 1) certificate issued by an authorized body or person; B-BBEE Status level
  - 2) prescribed by the B-BBEE Codes of Good Practice; A sworn affidavit as
  - 3) requirement prescribed in terms of the B-BBEE Act; Any other
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;





**7. SUB-CONTRACTING**

7.1 Will any portion of the contract be sub-contracted?

*(Tick applicable box)*

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

7.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted.....%
- ii) The name of the sub-contractor.....
- iii) The B-BBEE status level of the sub-contractor.....
- iv) Whether the sub-contractor is an EME or QSE

*(Tick applicable box)*

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

- v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations,2017:

<b>Designated Group: An EME or QSE which is at last 51% owned by:</b>	<b>EME</b>	<b>QSE</b>
	√	√
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
<b>OR</b>		
Any EME		
Any QSE		

**8. DECLARATION WITH REGARD TO COMPANY/FIRM**

8.1 Name of company/firm:.....

8.2 VAT registration number:.....

8.3 Company registration number:.....

8.4 TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One person business/sole propriety
- Close corporation
- Company

- (Pty) Limited
- [TICK APPLICABLE BOX]

**8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES**

.....

.....

.....

.....

.....

**8.6 COMPANY CLASSIFICATION**

- Manufacturer
  - Supplier
  - Professional service provider
  - Other service providers, e.g. transporter, etc.
- [TICK APPLICABLE BOX]

**8.7 MUNICIPAL INFORMATION**

**Municipality where business is situated:** .....

**Registered Account Number:** .....

**Stand Number:**.....

8.8 Total number of years the company/firm has been in business:.....

8.9 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we 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 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
  - (a) disqualify the person from the bidding 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 bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury 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.

<p>WITNESSES</p> <p>1. ....</p> <p>2. ....</p>
--

<p>.....</p> <p>SIGNATURE(S) OF BIDDERS(S)</p> <p>DATE: .....</p> <p>ADDRESS .....</p> <p>.....</p> <p>.....</p>
--

## CONTRACT FORM - RENDERING OF SERVICES

**THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SERVICE PROVIDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SERVICE PROVIDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.**

### **PART 1 (TO BE FILLED IN BY THE SERVICE PROVIDER)**

1. I hereby undertake to render services described in the attached bidding documents to (name of the institution) **CENTRAL KAROO DISTRICT MUNIIPALITY** in accordance with the requirements and task directives / proposals specifications stipulated in Proposal Number **CKDM016 – 2019/20** at the price/s quoted. My offer/s remains binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid.
  
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
  - (i) Bidding documents, viz
    - Invitation to bid
    - Tax clearance certificate
    - Pricing schedule(s)
    - Filled in task directive/proposal
    - Preference claims in terms of the Preferential Procurement Regulations 2017
    - Declaration of interest
    - Special Conditions of Contract;
  - (ii) General Conditions of Contract; and
  - (iii) Other (specify)
  
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
  
4. I accept full responsibility for the proper execution and fulfillment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.
  
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.

6. I confirm that I am duly authorized to sign this contract.

NAME (PRINT) .....

CAPACITY .....

SIGNATURE .....

NAME OF FIRM .....

DATE .....

**WITNESSES**

1. ....

2. ....

.....  
**DATE**

**CONTRACT FORM - RENDERING OF SERVICES**  
**PART 2 (TO BE FILLED IN BY THE PURCHASER)**

1. I **S JOOSTE** in my capacity as Municipal Manager accept your bid under reference number **CKDM016 - 2019/20** date ..... for the rendering of services indicated hereunder and/or further specified in the annexure(s).
2. An official order indicating service delivery instructions is forthcoming.
3. I undertake to make payment for the services rendered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice.

<i>DESCRIPTION OF SERVICE</i>	<b>PRICE (VAT INCL)</b>	<b>COMPLETION DATE</b>	<b>PREF POINTS CLAIMED FOR HDIs</b>	<b>PREF POINTS CLAIMED FOR RDP GOALS</b>
As per document				

4. I confirm that I am duly authorized to sign this contract.

SIGNED AT **BEAUFORT WEST** ON.....

NAME (PRINT) **S JOOSTE (Municipal Manager)**

SIGNATURE .....

OFFICIAL STAMP

WITNESSES

1 .....

2 .....

DATE: .....

## DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Municipal Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be rejected if that bidder, or any of its directors have:
  - a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
  - b. been convicted for fraud or corruption during the past five years;
  - c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
  - d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's database as a company or person prohibited from doing business with the public sector? (Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the <i>audi alteram partem</i> rule was applied).	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? (To access this Register enter the National Treasury's website, <a href="http://www.treasury.gov.za">www.treasury.gov.za</a> , click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 3265445).	Yes <input type="checkbox"/>	No <input type="checkbox"/>

4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	If so, furnish particulars:		
<b>Item</b>	<b>Question</b>	<b>Yes</b>	<b>No</b>
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

**CERTIFICATION**

**I, THE UNDERSIGNED (FULL NAME) .....**

**CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM TRUE AND CORRECT.**

**I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.**

.....  
**Signature**

.....  
**Date**

.....  
**Position**

.....  
**Name of Bidder**



## **CERTIFICATE OF INDEPENDENT BID DETERMINATION**

1. This Municipal Bidding Document (MBD) must form part of all bids<sup>1</sup> invited.
2. Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).<sup>2</sup> Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
3. Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
  - a. take all reasonable steps to prevent such abuse;
  - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
  - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
4. This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
5. In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

<sup>1</sup> Includes price quotations, advertised competitive bids, limited bids and proposals.

<sup>2</sup> Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

\_\_\_\_\_  
(Bid Number and Description)

in response to the invitation for the bid made by:

\_\_\_\_\_  
(Name of Municipality / Municipal Entity)

do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of: \_\_\_\_\_ that:  
(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
  - (a) has been requested to submit a bid in response to this bid invitation;
  - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive bidding.
  
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
  - (a) prices;
  - (b) geographical area where product or service will be rendered (market allocation)
  - (c) methods, factors or formulas used to calculate prices;
  - (d) the intention or decision to submit or not to submit, a bid;
  - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
  - (f) bidding with the intention not to win the bid.
  
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
  
9. The terms of the accompanying bid have not been, and will not be, disclosed by The bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

<sup>3</sup> **Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.**

**MBD 9**

10. 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.

.....  
Signature

Date.....

**PROCUREMENT:  
GENERAL CONDITIONS OF CONTRACT**

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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 goods 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 goods 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 “Supplier” means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.
- 1.26 “Tort” means in breach of contract.
- 1.27 “Turnkey” means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.
- 1.28 “Written” or “in writing” means hand-written 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 (excluding professional services related to the building and construction industry), 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 goods, 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 nonrefundable fee for documents may be charged.
- 3.2 Invitations to bid are usually published in locally distributed news media and on the municipality/municipal entity website.

**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 as 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.
- 6.2 When a supplier developed documentation / projects for the municipality / municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality / municipal entity.

## **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.

**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 goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.
- 8.2 If it is a bid condition that goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.
- 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 goods 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 goods or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such goods or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Goods 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 goods may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the

requirements of the contract. Such rejected goods 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 goods, which do comply with the requirements of the contract. Failing such removal the rejected goods shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute goods forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected goods, purchase such goods 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 22 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, and in any subsequent instructions ordered by the purchaser.

**10. Delivery and documents**

10.1 Delivery of the goods and arrangements for shipping and clearance obligations, shall be made by the supplier in accordance with the terms specified in the contract.

**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.

**12. Transportation**

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

**13. Incidental Services**

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

- (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, 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.
- 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 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, 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.
- 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.

**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 or in the purchaser's request for bid validity extension, as the case may be.

**18. Variation orders**

- 18.1 In cases where the estimated value of the envisaged changes in purchase does not vary more than 15% of the total value of the original contract, the contractor may be instructed to deliver the goods or render the services as such. In cases of measurable quantities, the contractor may be approached to reduce the unit price, and such offers may be accepted provided that there is no escalation in price.

**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 these 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 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 goods are required, or the supplier's services are not readily available.
- 21.4 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 22.2 without the application of penalties.
- 21.5 Upon any delay beyond the delivery period in the case of a goods contract, the purchaser shall, without cancelling the contract, be entitled to purchase goods 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

- 23.1 The purchaser, without prejudice to any other remedy for **for default** 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 judgement 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 supplier as having no objection and proceed with the restriction.
- 23.5 Any restriction imposed on any person by the purchaser will, at the discretion of the purchaser, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercise or 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 purchaser 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 on 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 has been 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 the 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. Antidumping 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 favorable difference shall on demand be paid forthwith by the supplier to the purchaser or the purchaser may deduct such amounts from moneys (if any) which may otherwise be due to the supplier in regard to goods 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 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.

<b>28. Limitation of Liability</b>	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	Notwithstanding any reference to mediation and/or court proceedings herein, <ul style="list-style-type: none"> <li>(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and</li> <li>(b) the purchaser shall pay the supplier any monies due the supplier for goods delivered and / or services rendered according to the prescripts of the contract.</li> </ul>
	28.1	Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 6; <ul style="list-style-type: none"> <li>(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</li> <li>(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.</li> </ul>
<b>29. Governing language</b>	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.
<b>30. Applicable law</b>	30.1	The contract shall be interpreted in accordance with South African laws, unless otherwise specified.
<b>31. Notices</b>	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.
<b>32. Taxes and duties</b>	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 SARS must have certified that the tax matters of the preferred bidder are in order.
- 32.4 No contract shall be concluded with any bidder whose municipal rates and taxes and municipal services charges are in arrears
- 33. Transfer of contracts**
- 33.1 The contractor shall not abandon, transfer, cede assign or sublet a contract or part thereof without the written permission of the purchaser
- 34. Amendment of contracts**
- 34.1 No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing, shall also be in writing.
35. Prohibition of restrictive practices
- 35.1 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.
- 35.2 If a bidder(s) or contractor(s) based on a reasonable grounds or evidence obtained by the purchaser has / have engaged in the restrictive practice referred to above, the purchaser may refer the of the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in section 59 of the Competition Act No 89 of 1998.
- 35.3 if a bidder(s) or contractors(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 a whole of 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.